

HCL TECHNOLOGIES LIMITED
Corporate Identity Number-L74140DL1991PLC046369
Regd. Office: 806, Siddharth, 96, Nehru Place, New Delhi – 110 019
Tel: +91 120 4013000; Fax: +91 120 2526907
Website: www.hcltech.com

NOTICE

NOTICE is hereby given that the Twenty Second Annual General Meeting of the members of HCL Technologies Limited ('the Company') will be held on Thursday, the 4th day of December, 2014 at 11:00 A.M. at FICCI Auditorium, Federation House, 1, Tansen Marg, New Delhi - 110 001 to transact the following businesses:

ORDINARY BUSINESS

Item No. 1 - Adoption of accounts

To consider and adopt the Statement of Profit and Loss for the year ended June 30, 2014 and the Balance Sheet and Cash Flow Statement as on that date together with the Reports of the Directors and Auditors thereon.

Item No. 2 - Retirement of Mr. Srikant Madhav Datar as Director and not to fill the vacancy so caused

Mr. Srikant Madhav Datar (DIN: 01893883), Director, who retires by rotation, has expressed his desire not to seek re-appointment as Director of the Company.

To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT Mr. Srikant Madhav Datar, Director, who retires by rotation and who has expressed his desire not to seek re-appointment as Director of the Company, be not re-appointed as Director and that the vacancy thereby caused be not filled up."

Item No. 3 - Re-appointment of Mr. Shiv Nadar as Director

To appoint a Director in place of Mr. Shiv Nadar (DIN: 00015850), who retires by rotation and being eligible, offers himself for re-appointment.

Item No. 4 - Appointment of Statutory Auditors

To re-appoint Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the Twenty Seventh Annual General Meeting of the Company and to fix their remuneration.

To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and pursuant to the recommendations of the Board of Directors, M/s. S. R. Batliboi & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 301003E) be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting ('AGM') until the conclusion of the Twenty Seventh AGM of the Company to be held in the year 2019, subject to ratification of their appointment by the members at every AGM held after this AGM."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to fix remuneration of the Statutory Auditors and reimburse their travelling and out of pocket expenses."

SPECIAL BUSINESS

Item No. 5 - Appointment of Mr. Srinivasan Ramanathan as an Independent Director

To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the rules made thereunder, read with Schedule IV to the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Srinivasan Ramanathan (DIN: 00575854), Director of the Company who retires by rotation at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of a Director of the Company and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and clause 49 of the Listing Agreement(s) entered with the Stock Exchange(s) and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term commencing from December 4, 2014, being the date of this Annual General Meeting and ending on the date of the Annual General Meeting to be held for the year ending March 31, 2019."

"RESOLVED FURTHER THAT in the event the Annual General Meeting of the Company for the year ending March 31, 2019 is not held on or before December 3, 2019, the tenure of Mr. Srinivasan Ramanathan as an Independent Director shall end on December 3, 2019."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to finalise and issue the letter of appointment to the concerned director and do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

Item No. 6 - Appointment of Mr. Amal Ganguli as an Independent Director

To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the rules made thereunder read with Schedule IV to the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Amal Ganguli (DIN: 00013808), who was appointed as Director liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of a Director of the Company and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and clause 49 of the Listing Agreement(s) entered with the Stock Exchange(s) and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a term commencing from December 4, 2014, being the date of this Annual General Meeting

and ending on the date of the Annual General Meeting to be held for the year ending March 31, 2019.”

“RESOLVED FURTHER THAT in the event the Annual General Meeting of the Company for the year ending March 31, 2019 is not held on or before December 3, 2019, the tenure of Mr. Amal Ganguli as an Independent Director shall end on December 3, 2019.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to finalise and issue the letter of appointment to the concerned director and do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

Item No. 7 - Appointment of Ms. Robin Ann Abrams as an Independent Director

To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the rules made thereunder read with Schedule IV to the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), Ms. Robin Ann Abrams (DIN: 00030840), who was appointed as Director liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing her candidature for the office of a Director of the Company and who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and clause 49 of the Listing Agreement(s) entered with the Stock Exchange(s) and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a term commencing from December 4, 2014, being the date of this Annual General Meeting and ending on the date of the Annual General Meeting to be held for the year ending March 31, 2019.”

“RESOLVED FURTHER THAT in the event the Annual General Meeting of the Company for the year ending March 31, 2019 is not held on or before December 3, 2019, the tenure of Ms. Robin Ann Abrams as an Independent Director shall end on December 3, 2019.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to finalise and issue the letter of appointment to the concerned director and do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

Item No. 8 - Appointment of Mr. Keki Mistry as an Independent Director

To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the rules made thereunder read with Schedule IV to the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Keki Mistry (DIN: 00008886), who was appointed as Director liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of a Director of the Company and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and clause 49 of the Listing Agreement(s) entered with the Stock Exchange(s) and who is eligible for appointment, be and is hereby appointed as

an Independent Director of the Company to hold office for a term commencing from December 4, 2014, being the date of this Annual General Meeting and ending on the date of the Annual General Meeting to be held for the year ending March 31, 2019.”

“RESOLVED FURTHER THAT in the event the Annual General Meeting of the Company for the year ending March 31, 2019 is not held on or before December 3, 2019, the tenure of Mr. Keki Mistry as an Independent Director shall end on December 3, 2019.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to finalise and issue the letter of appointment to the concerned director and do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

Item No. 9 - Appointment of Dr. Sosale Shankara Sastry as an Independent Director

To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the rules made thereunder read with Schedule IV to the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), Dr. Sosale Shankara Sastry (DIN: 05331243), who was appointed as Director liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of a Director of the Company and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and clause 49 of the Listing Agreement(s) entered with the Stock Exchange(s) and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a term commencing from December 4, 2014, being the date of this Annual General Meeting and ending on the date of the Annual General Meeting to be held for the year ending March 31, 2019.”

“RESOLVED FURTHER THAT in the event the Annual General Meeting of the Company for the year ending March 31, 2019 is not held on or before December 3, 2019, the tenure of Dr. Sosale Shankara Sastry as an Independent Director shall end on December 3, 2019.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to finalise and issue the letter of appointment to the concerned director and do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

Item No. 10 - Appointment of Mr. Subramanian Madhavan as an Independent Director

To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the rules made thereunder read with Schedule IV to the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Subramanian Madhavan (DIN: 06451889), who was appointed as Director liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of a Director of the Company and who has submitted a declaration that he meets the

criteria for independence as provided in Section 149(6) of the Act and clause 49 of the Listing Agreement(s) entered with the Stock Exchange(s) and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a term commencing from December 4, 2014, being the date of this Annual General Meeting and ending on the date of the Annual General Meeting to be held for the year ending March 31, 2019.”

“RESOLVED FURTHER THAT in the event the Annual General Meeting of the Company for the year ending March 31, 2019 is not held on or before December 3, 2019, the tenure of Mr. Subramanian Madhavan as an Independent Director shall end on December 3, 2019.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to finalise and issue the letter of appointment to the concerned director and do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

Item No. 11 - Payment of commission to Non-executive Directors

To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 197 and any other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with the Articles of Association of the Company, authority be and is hereby accorded to the payment of commission not exceeding one percent per annum of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Companies Act, 2013, to all the non-executive directors of the Company collectively in each financial year over a period of five years beginning from July 1, 2014 and extending upto and including the financial year of the Company ending on March 31, 2019.

“RESOLVED FURTHER THAT the aforesaid amount to be paid to the above directors at the end of each of the financial years shall be decided by the Board.”

“RESOLVED FURTHER THAT in case the requisite quorum to take decision on this item is not available in the Board meeting, Mr. Shiv Nadar, Chairman and Chief Strategy Officer be and is hereby authorized to take decisions for payment of commission to non-executive directors other than his relative(s) and the decision for payment of commission to non-executive directors who are related to Mr. Shiv Nadar, shall be taken by Mr. Ramanathan Srinivasan, Vice Chairman of the Board.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board (including the Nomination and Remuneration Committee) be and is hereby authorized to do all such acts, deeds, matters and things as it may in its sole and absolute discretion deem necessary or expedient in this regard.”

Item No. 12 - Continuation of Mr. Shiv Nadar as Managing Director of the Company beyond the age of 70 years

To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the proviso to Section 196(3)(a) and any other applicable provisions of the Companies Act, 2013, consent of the members be and is hereby accorded for Mr. Shiv Nadar, Managing Director of the Company, to continue as the Managing Director of the Company, beyond the age of 70 years, till the end of his tenure as Managing Director ending on January 31, 2017, as approved by the members through postal ballot on May 31, 2012.”

“RESOLVED FURTHER THAT the terms of appointment including remuneration of Mr. Shiv Nadar as the Managing Director shall remain the same as approved by the members through postal ballot on May 31, 2012.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as it may in its sole and absolute discretion deem necessary or expedient in this regard.”

By Order of the Board
for HCL Technologies Limited

Place: New Delhi
Date: November 03, 2014

Manish Anand
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND THE MEETING AND ON A POLL, TO VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM, DULY COMPLETED AND SIGNED, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE ANNUAL GENERAL MEETING. A BLANK PROXY FORM IS ENCLOSED WITH THIS NOTICE.
2. Pursuant to the provisions of Section 105 of the Companies Act, 2013 and the Rules framed thereunder, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share capital of the Company carrying voting rights.

Members holding more than ten percent of the total Share capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other member. Proxies submitted on behalf of companies and other bodies corporate, societies, trust, etc., must be supported by an appropriate resolution as applicable.
3. The Register of Members and Share Transfer Books of the Company will remain closed from November 23, 2014 to November 24, 2014 (both days inclusive) in terms of the provisions of Section 91 of the Companies Act, 2013 and clause 49 of the Listing Agreement(s) entered with the Stock Exchange(s).
4. The Board has not recommended final dividend on equity shares for the year ended June 30, 2014.
5. Members holding shares in physical form are advised to update their address and NECS details with the Company's Registrar and Share Transfer Agent, M/s. Alankit Assignments Limited (Unit: HCL Technologies Limited), 205-208, Anarkali Market, Jhandewalan Extension, New Delhi-110055 and in respect of shares held in electronic form, with the respective Depository Participant with whom the demat account is maintained to get the dividends and other correspondence in right bank account or registered address.
6. The Certificates from the Statutory Auditors of the Company certifying that the '1999 Stock Option Plan', '2000 Stock Option Plan' and '2004 Stock Option Plan' respectively of the Company

are being implemented in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and in accordance with the resolutions of the members in the general meetings and shall be available for inspection by the members at the Annual General Meeting.

7. Members/proxies should bring the attendance slips filled in for attending the meeting.
8. Pursuant to Sections 20, 101 and 136 of the Companies Act, 2013 read with relevant Rules made thereunder, companies can serve Notice and Annual Reports and other notices and communications through electronic mode to those members who have registered their e-mail address either with the Company or with the Depository. Members who have not registered their e-mail address with the Company can now register the same by submitting a duly filled letter/communication to M/s. Alankit Assignments Limited/Secretarial Department of the Company. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request made to the Company.

The Notice of Annual General Meeting ('AGM'), Annual Report, Proxy form and Attendance Slip are being sent in electronic mode to members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the members have registered their request for a hard copy of the same. Physical copy of the Notice of AGM, Annual Report, Proxy form and Attendance Slip are being sent to those members who have not registered their e-mail IDs with the Company or Depository Participant(s). Members holding shares in physical form are being sent the Notice of AGM, Annual Report, Proxy form and Attendance Slip by electronic mode if they have positively consented for the same. Members who have received the Notice of AGM, Annual Report, Proxy form and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM.

9. Members may note that the copies of the Notice of AGM, Annual Report, Proxy form and Attendance Slip are also available on the website of the Company www.hcltech.com for download. The physical copies of the same are also available at the registered office of the Company for inspection during normal business hours on all working days.
10. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested maintained under Section 189 of the Companies Act, 2013 shall remain open for inspection at the Annual General Meeting.
11. Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to M/s. Alankit Assignments Limited / Secretarial Department of the Company immediately.
12. Members are requested to note that as per Section 205A of the Companies Act, 1956, dividends that remain unpaid / unclaimed for a period of seven years from the date of declaration will be transferred to the Investor Education and Protection Fund ('IEPF'). After transfer of the said amount to

IEPF, no claims in this respect shall lie against IEPF or the Company.

13. The status of dividends remaining unpaid / unclaimed with the respective due dates of transfer to IEPF is provided in the Annual Report. Members are requested to contact M/s. Alankit Assignments Limited/Secretarial Department of the Company for claiming the unclaimed dividends standing to the credit of their account.
14. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to M/s. Alankit Assignments Limited/Secretarial Department of the Company.
15. For convenience of the members and proper conduct of the meeting, entry to the meeting venue will be regulated by Attendance Slip. Members are requested to sign at the place provided on the Attendance Slip and hand it over at the registration counter.
16. In compliance of the provisions of Section 108 of the Companies Act, 2013 and rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement(s) entered into with the Stock Exchange(s), the Company is pleased to provide its members, a facility to exercise their right to vote at the Twenty Second Annual General Meeting by electronic means. The Company has entered into an arrangement with Central Depository Services (India) Limited ('CDSL') for facilitating e-voting for the AGM.
17. The members of the Company, whose names appear in the Register of Members / list of Beneficial Owners as on the cut-off date of October 31, 2014 may cast their vote electronically on the Resolutions set forth in this Notice as per the instructions for e-voting given hereunder:

INSTRUCTIONS FOR E-VOTING

The instructions for members for voting electronically are as under:-

- (i) The voting period begins on November 22, 2014, 9.00 a.m. (IST) and will end on November 24, 2014, 6.30 p.m. (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of October 31, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com
- (iii) Click on "Shareholders" tab.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on "Login".

- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. The sequence number has been provided in the attendance slip. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the Company's records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank account number as recorded in your demat account or in the Company's records for the said demat account or folio. account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank account number in order to login. If the details are not recorded with the depository or company please enter the member ID / folio number in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly to the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for "HCL Technologies Limited" on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
- (xviii) Note for Non-Individual Shareholders & Custodians:
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to www.evotingindia.com and register themselves as Corporate.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney ('POA') which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com
18. Please note that the members who have exercised their right to vote by electronic means shall not vote by way of poll at the Meeting. The voting rights of the members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the Cut-off date of October 31, 2014.
19. In case of members who are attending the Annual General Meeting and are entitled to vote but have not exercised their right to vote by electronic means, the Chairman of the Company will order a poll on his own motion for all businesses specified in the accompanying Notice.
20. The poll process shall be conducted and scrutinized and report thereon will be prepared in accordance with Section 109 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014
21. Mr. Nityanand Singh, Practicing Company Secretary, (Membership no. FCS: 2668) has been appointed as the Scrutinizer to scrutinize the e-voting process (including the ballot to be cast by the members at the Annual General Meeting) in a fair and transparent manner.
22. The Scrutinizer shall within a period not exceeding three working days from the date of close of e-voting, unlock the votes in the presence of atleast two witnesses, not in the employment of the Company and make Scrutinizer's Report of the votes cast

in favour of or against, if any, forthwith to the Chairman of the Company.

23. The results of e-voting and poll on resolutions shall be aggregated and declared on or after the AGM of the Company and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite numbers of votes in favour of the resolutions.
24. The results declared along with the Scrutinizer's report shall be placed on the Company's website www.hcltech.com and on the website of CDSL viz. www.cdslindia.com within two days of passing of the resolutions at the AGM of the Company and communicated to BSE and NSE.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ('Act')

Item No. 4

This explanatory statement for Item No. 4 is provided though strictly not required as per Section 102 of the Act.

M/s. S. R. Batliboi & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 301003E), ('S.R. Batliboi') were appointed as the Statutory Auditors of the Company for financial year 2013-14 at the Annual General Meeting ('AGM') of the Company held on December 27, 2013. S.R. Batliboi has been the Statutory Auditors of the Company since 2009-2010 and has completed a term of 5 years. As per the provisions of Section 139 of the Act, no listed company can appoint or re-appoint an audit firm as an auditor for more than two terms of five consecutive years.

In view of the above, S.R. Batliboi, being eligible for re-appointment and based on the recommendation of the Audit Committee, the Board of Directors has, at its meeting held on July 29-31, 2014, proposed the appointment of S.R. Batliboi as the Statutory Auditors of the Company for a period of 5 years to hold office from the conclusion of this AGM until the conclusion of the Twenty Seventh AGM of the Company to be held in the year 2019, subject to ratification of their appointment by the members at every AGM.

None of the Directors, Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in this resolution.

The Board recommends the resolution as set out at Item no. 4 for approval of the members to be passed as an Ordinary Resolution.

Item Nos. 5 to 10

As per the provisions of clause 49 of the Listing Agreement(s) entered with the Stock Exchange(s), Mr. Srinivasan Ramanathan, Mr. Amal Ganguli, Ms. Robin Ann Abrams, Mr. Keki Mistry, Dr. Sosale Shankara Sastry and Mr. Subramanian Madhavan are appointed as Independent Directors. Pursuant to the provisions of Section 149 of the Companies Act, 2013 ('Act'), which came into effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation. As per Section 149 of the Act, the Independent Directors shall hold office for a term up to 5 consecutive years on the Board of a company but shall be eligible for re-appointment on passing of a special resolution by the company for another term of 5 years.

The Nomination and Remuneration Committee has recommended the appointment of Mr. Srinivasan Ramanathan, Mr. Amal Ganguli, Ms. Robin Ann Abrams, Mr. Keki Mistry, Dr. Sosale Shankara Sastry and Mr. Subramanian Madhavan as Independent Directors on the Board of the Company for a term commencing from December 4, 2014 being the date of the ensuing Annual General Meeting and

ending on the date of the Annual General Meeting to be held for the year ending March 31, 2019. In the event the Annual General Meeting of the Company for the year ending March 31, 2019 is not held on or before December 3, 2019, the tenure of the Independent Directors shall end on December 3, 2019. The said recommendations of the Nomination and Remuneration Committee have been considered and approved by the Board.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Srinivasan Ramanathan, Mr. Amal Ganguli, Ms. Robin Ann Abrams, Mr. Keki Mistry, Dr. Sosale Shankara Sastry and Mr. Subramanian Madhavan, being eligible and offered themselves for appointment.

In line with the aforesaid requirements of the Companies Act, 2013 and clause 49 of the Listing Agreement(s), it is therefore proposed to appoint Mr. Srinivasan Ramanathan, Mr. Amal Ganguli, Ms. Robin Ann Abrams, Mr. Keki Mistry, Dr. Sosale Shankara Sastry and Mr. Subramanian Madhavan as Independent Directors on the Board of the Company for the aforesaid term.

In accordance with the provisions of Section 149 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 Independent Directors shall not be liable to retire by rotation.

As per the provisions of Section 160 of the Companies Act, 2013, the Company has received notices in writing, along with deposit of Rs.1,00,000/- per notice from a member of the Company proposing the candidature of Mr. Srinivasan Ramanathan, Mr. Amal Ganguli, Ms. Robin Ann Abrams, Mr. Keki Mistry, Dr. Sosale Shankara Sastry and Mr. Subramanian Madhavan for the office of Independent Director to be appointed under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Mr. Srinivasan Ramanathan, Mr. Amal Ganguli, Ms. Robin Ann Abrams, Mr. Keki Mistry, Dr. Sosale Shankara Sastry and Mr. Subramanian Madhavan (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that they are not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and (iii) a declaration to the effect that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and under clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Srinivasan Ramanathan, Mr. Amal Ganguli, Ms. Robin Ann Abrams, Mr. Keki Mistry, Dr. Sosale Shankara Sastry and Mr. Subramanian Madhavan fulfill the conditions specified in Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with the relevant rules and Schedule IV to the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and clause 49 of the Listing Agreement(s) entered with the Stock Exchange(s) for their appointment as Independent Directors. Copies of letters for the appointment of Mr. Srinivasan Ramanathan, Mr. Amal Ganguli, Ms. Robin Ann Abrams, Mr. Keki Mistry, Dr. Sosale Shankara Sastry and Mr. Subramanian Madhavan as Independent Directors, setting out the terms and conditions are open for inspection without any fee by any member at the Registered Office of the Company during normal business hours on all working days.

The Board considers that based on their varied experience, their continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Srinivasan Ramanathan, Mr. Amal Ganguli, Ms. Robin Ann Abrams, Mr. Keki Mistry, Dr. Sosale Shankara Sastry and Mr. Subramanian Madhavan as Independent Directors.

Mr. Srinivasan Ramanathan, Mr. Amal Ganguli, Ms. Robin Ann Abrams, Mr. Keki Mistry, Dr. Sosale Shankara Sastry and Mr. Subramanian Madhavan and their relatives are concerned or interested in the resolutions relating to their appointment.

None of the other Directors, Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in this resolution.

The Board recommends the resolutions as set out at Item nos. 5 to 10 for approval of the members to be passed as Ordinary Resolutions.

Item No.11

The members of the Company at their Annual General Meeting held on December 27, 2013 approved by way of a Special Resolution under Section 309(4)(b) of the Companies Act, 1956, the payment of remuneration by way of commission to the Non-Executive Directors of the Company, of a sum not exceeding one percent per annum of the net profits of the Company, calculated in accordance with the provisions of the Companies Act, 1956, for a period of five years beginning from July 1, 2013 and extending up to and including the financial year of the Company ending on June 30, 2018.

In view of Sections 149, 197 and any other relevant provisions of the Companies Act, 2013 coming into effect from April 1, 2014 and taking into account the roles and responsibilities of the directors, it is proposed that the Non-Executive Directors be paid for each of the five financial years of the Company commencing from July 1, 2014 and extending upto and including the financial year of the Company ending on March 31, 2019, remuneration not exceeding one percent per annum of the net profits of the Company computed in accordance with the provisions of the Companies Act, 2013. This remuneration will be distributed amongst all or some of the Non-Executive Directors in accordance with the directions given by the Board of Directors/Managing Director of the Company and subject to any other applicable requirements under the Companies Act, 2013. This remuneration shall be in addition to the fee payable to the Directors for attending the meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board, and reimbursement of expenses for participation in the Board and other meetings.

Accordingly, a fresh approval of the members is sought by way of a Special Resolution under the applicable provisions of the Companies Act, 2013 for payment of remuneration by way of commission to the Non-Executive Directors of the Company, for a period of five financial years commencing from July 1, 2014 and extending upto and including the financial year of the Company ending on March 31, 2019.

Further as per the provisions of Section 197 of the Companies Act, 2013, the approval of the members is required for payment of the aforesaid remuneration by way of commission.

All Non-executive directors and their relatives may be deemed to be concerned or interested in the resolution set out at Item No. 11 of the Notice to the extent of the remuneration by way of commission that may be received by them.

Mr. Shiv Nadar, Chairman and Chief Strategy Officer being related to Ms. Roshni Nadar Malhotra, is also interested in this resolution to the extent of commission, if any, paid to Ms. Roshni Nadar Malhotra.

None of the Key Managerial personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

The Board recommends the resolution as set out at Item no. 11 for approval of the members to be passed as a Special Resolution.

Item No. 12

Mr. Shiv Nadar has been the Managing Director of the Company since September 1999. Pursuant to the approval of the Shareholders through postal ballot on May 31, 2012, Mr. Shiv Nadar's current term as Managing Director is up to January 31, 2017.

Mr. Shiv Nadar will attain the age of 70 years on July 18, 2015. Pursuant to the proviso to Section 196(3)(a) of the Companies Act, 2013, which has come into force with effect from April 1, 2014, the Company shall not continue the employment of any person as the Managing Director of the Company, who has attained the age of 70 years, without the approval of the members of the Company by passing a special resolution.

Mr. Shiv Nadar has an extensive experience and expertise in the Information Technology sector coupled with strategic planning and management experience. Under his guidance, the Company has grown manifold. The Company has become a leading global IT services company working with clients in the areas that impact and redefines the core of their businesses. Since its emergence on global landscape after its IPO in 1999, the Company 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. The Company leverages its extensive global offshore infrastructure and network of offices in various countries to provide holistic, multi-service delivery in key industry verticals including Financial Services, Manufacturing, Consumer Services, Public Services and Healthcare and Life sciences. The Company, along with its subsidiaries, had consolidated revenues of US\$ 5.4 billion, as on June 30, 2014. It is in the best interest of the Company that Mr. Shiv Nadar continues as the Managing Director of the Company.

The Board of Directors in its meeting held on October 16-17, 2014 has accorded its approval, subject to the approval of the members, for continuation of Mr. Shiv Nadar as the Managing Director of the Company, beyond the age of 70 years, till the end of his tenure ending on January 31, 2017 on the same terms of appointment including remuneration as were approved by the members through postal ballot on May 31, 2012.

In view of the above, the approval of the members is required by way of a Special Resolution.

Mr. Shiv Nadar is the Managing Director of the Company. Ms. Roshni Nadar Malhotra, Director of the Company, is the daughter of Mr. Shiv Nadar. Accordingly they are interested in the resolution at Item No. 12.

None of the other Directors, Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in this resolution.

The Board recommends the resolution as set out at Item no. 12 for approval of the members as a Special Resolution.

Additional Information on Directors recommended for appointment/ re-appointment as per clause 49 of the Listing Agreement(s) with the Stock Exchange(s)

Mr. Shiv Nadar

Mr. Shiv Nadar, aged 69 years, is an Electrical Engineer from Coimbatore in South India. Mr. Shiv Nadar established the Company as a startup in 1976. Acknowledged as a visionary by the IT industry and his peers, Mr. Shiv Nadar has often made daring forays based on his conviction of the future. The University of Madras and IIT Kharagpur awarded him an Honorary Doctorate

Degree in Science for his outstanding contribution to IT in India. In recognition of his pioneering role in business and philanthropy in India and across the globe, Mr. Nadar received several honours and accolades, notable being the Padma Bhushan from the President of India in 2008, the BNP Paribas Grand Prize for Individual Philanthropy in 2013 and ICSI Life Time Achievement Award for Translating Excellence in Corporate Governance into Reality for the year 2013 by the Institute of Companies Secretaries of India in August 2014.

Determined to give back to the society that supported him, Mr. Nadar has been quietly supporting many significant social causes through the Shiv Nadar Foundation. The Foundation has established the not-for-profit SSN College of Engineering in Chennai, ranked among India's top ranked private engineering colleges. A young and a unique research-led interdisciplinary Shiv Nadar University has been identified as India's first Ivy League institution. The Foundation is also running "Vidya Gyan" schools in Uttar Pradesh that provide free, world class education to rural toppers from economically disadvantaged backgrounds. He also very strongly supports initiatives for the girl child and the empowerment of women.

Nature of expertise in specific functional area: Mr. Shiv Nadar has extensive experience and expertise in the Information Technology sector coupled with strategic planning and management experience.

The Companies in which Mr. Shiv Nadar holds the Directorship(s) and Committee chairmanship(s)/ membership(s) are as under:

Sl. No.	Names of the Companies	Directorship(s) and Committee chairmanship(s) / membership(s)
1.	HCL Corporation Private Limited	● Director
2.	HCL America Inc.	● Director
3.	Guddu Investments (Chennai) Pvt. Ltd.	● Director
4.	Vama Sundari Investments (Chennai) Pvt. Ltd.	● Director
5.	Julian Investments (Chennai) Pvt. Ltd.	● Director
6.	Blueberry Investments (Chennai) Pvt. Ltd.	● Director
7.	Slocum Investments (Pondi) Pvt. Ltd.	● Director
8.	SSN Investments (Pondi) Pvt. Ltd.	● Director
9.	Vama Sundari Investments (Delhi) Pvt. Ltd.	● Director
10.	Slocum Education	● Director
11.	Vama Sundari Education	● Director
12.	HCL Healthcare Pvt. Ltd.	● Director
13.	VidyaGyan Foundaiton	● Director

Mr. Shiv Nadar is a member of Stakeholder's Relationship Committee, Finance Committee, Nomination and Remuneration Committee and Employees' Stock Option Allotment Committee and Chairman of Corporate Social Responsibility Committee of the Company. He currently holds 184 equity shares of the Company in his own name.

Mr. Shiv Nadar is Father of Ms. Roshni Nadar Malhotra, Director of the Company. Mr. Shiv Nadar is not related to any other Director of the Company.

Mr. Srinivasan Ramanathan

Mr. Srinivasan Ramanathan, aged 68 years, has an Electrical Engineering Degree from Madras University and MBA Degree from the Indian Institute of Management, Ahmedabad. He is the Founder, Managing Director of Redington (India) Limited, a 4.6 billion dollar Technology Products Supply Chain Solution Company operating in India, Middle East, Africa and Turkey. Prior to starting Redington in Singapore, he spent three years in Indonesia with a leading Textile Company. His experience also includes a number of years with Readers Digest and the Coca-Cola Corporation in India.

Nature of expertise in specific functional area: Mr. Srinivasan Ramanathan has an expertise in Strategic and Business Management.

The Companies in which Mr. Srinivasan Ramanathan holds the Directorship(s) and Committee chairmanship(s)/ membership(s) are as under:

Sl. No.	Names of the Companies	Directorship(s) and Committee chairmanship(s) / membership(s)
1.	Redington (India) Limited	<ul style="list-style-type: none"> Managing Director Member of Investor/ Shareholder's Grievance Committee Member of Remuneration Committee Member of Share Transfer Committee
2.	Easyaccess Financial Services Limited	<ul style="list-style-type: none"> Director Member of Audit Committee Member of Nomination Committee Member of Remuneration/ Compensation Committee
3.	Harrow Investment Holding Limited	<ul style="list-style-type: none"> Director
4.	Redington Gulf FZE	<ul style="list-style-type: none"> Director
5.	Redington Distribution Pte. Limited	<ul style="list-style-type: none"> Director
6.	Redington Bangladesh Limited	<ul style="list-style-type: none"> Director
7.	Cadensworth FZE	<ul style="list-style-type: none"> Director
8.	Redington Africa Distribution FZE	<ul style="list-style-type: none"> Director
9.	Redington Egypt Limited	<ul style="list-style-type: none"> Director
10.	Redington Nigeria Limited	<ul style="list-style-type: none"> Director
11.	Redington International Mauritius Limited	<ul style="list-style-type: none"> Director
12.	Redington Turkey Holdings S.A.R.L.	<ul style="list-style-type: none"> Director
13.	Arena Bilgisayar Sanayi Ticaret AnonimSirketi	<ul style="list-style-type: none"> Director
14.	Arena International FZE	<ul style="list-style-type: none"> Director
15.	Board of Management of the SSN Institutions	<ul style="list-style-type: none"> Chairman
16.	Ensure Gulf FZE	<ul style="list-style-type: none"> Director
17.	HCL Singapore Pte. Ltd	<ul style="list-style-type: none"> Director

Mr. Srinivasan Ramanathan is the member of the Finance Committee and Chairman of the Nomination and Remuneration Committee of the Company. His shareholding in the Company is Nil. Mr. Srinivasan Ramanathan is not related to any of the Directors of the Company.

Mr. Amal Ganguli

Mr. Amal Ganguli has been serving as Director of your Company since May 2003. Mr. Amal Ganguli, aged 74 years, is a fellow member of the Institute of Chartered Accountants of India and the Institute of Chartered Accountants in England and Wales and a member of the New Delhi chapter of the Institute of Internal Auditors, Florida, U.S.A. He was the Chairman and Senior Partner of PricewaterhouseCoopers, India till his retirement in 2003. Besides his qualification in the area of accounting and auditing, he is alumnus of IMI, Geneva. During his career spanning over 42 years, his range of work included international tax advice and planning, cross border investments, corporate mergers and reorganization, financial evaluation of projects, management, operational and statutory audit and consulting projects funded by international funding agencies.

Nature of expertise in specific functional area: Mr. Amal Ganguli has expertise in areas relating to financial reporting, audit, taxation, mergers and acquisitions and corporate restructuring.

The Companies in which Mr. Amal Ganguli holds Directorship(s) and Committee chairmanship(s)/ membership(s) are as under:

Sl. No.	Names of the Companies	Directorship(s) and Committee chairmanship(s) / membership(s)
1.	Hughes Communications India Limited	<ul style="list-style-type: none"> Director Member of Audit Committee
2.	Aricent Technologies (Holdings) Limited	<ul style="list-style-type: none"> Director Member of Audit Committee Member of Remuneration Committee
3.	ML Infomap Private Limited	<ul style="list-style-type: none"> Director/Shareholder

4.	New Delhi Television Limited	<ul style="list-style-type: none"> • Director • Chairman of Audit Committee • Member of Remuneration Committee • Chairman of Restructuring Committee
5.	Century Textiles and Industries Limited	<ul style="list-style-type: none"> • Director • Member of Audit Committee
6.	AVTEC Limited	<ul style="list-style-type: none"> • Director
7.	Maruti Suzuki India Limited	<ul style="list-style-type: none"> • Director • Chairman of Audit Committee
8.	Tata Communications Limited	<ul style="list-style-type: none"> • Director • Chairman of Audit Committee
9.	Laurus Labs Private Limited	<ul style="list-style-type: none"> • Director
10.	Triveni Turbine Ltd.	<ul style="list-style-type: none"> • Director • Member of Audit Committee • Member of Remuneration Committee
11.	Mangalam Cement Ltd	<ul style="list-style-type: none"> • Director
12.	Thought Arbitrage Research Institute	<ul style="list-style-type: none"> • Member of the Advisory Board
13.	Greenfuel Energy Private Limited	<ul style="list-style-type: none"> • Member of the Advisory Board

Mr. Amal Ganguli is the Chairman of the Audit Committee, Finance Committee and Risk Management Committee of the Company. His shareholding in the Company is Nil.

Mr. Amal Ganguli is not related to any of the Directors of the Company.

Ms. Robin Ann Abrams

Ms. Robin Ann Abrams, aged 63 years, holds both a Bachelor of Arts and a Juris Doctor degree from the University of Nebraska. She was the interim CEO at ZiLOG. She had been the President of Palm Computing and Senior Vice President at 3Com Corporation. She was formerly the President and CEO at VeriFone and also held a variety of senior management positions with Apple Computers. As a Vice President and General Manager of the Americas, she oversaw sales and channel management for U.S., Canada and Latin America. Ms. Abrams spent eight years with Unisys in several senior-level positions and also served several U.S. public company Boards and several academic advisory committees.

Nature of expertise in specific functional area: Ms. Robin Ann Abrams has nearly 36 years of experience in computing and computing services, strategic planning and management.

The names of the Companies in which Ms. Robin Ann Abrams holds Directorship(s) and Committee chairmanship(s)/ membership(s) are as under:

Sl. No.	Names of the Companies	Directorship(s) and Committee chairmanship(s) / membership(s)
1.	HCL Bermuda Limited	<ul style="list-style-type: none"> • Director
2.	Sierra Wireless	<ul style="list-style-type: none"> • Director • Chairman of Audit Committee
3.	Lattice Semiconductor Corporation	<ul style="list-style-type: none"> • Director • Member of Audit Committee • Chairman of Nominating and Governance Committee
4.	Factset Research Systems, Inc.	<ul style="list-style-type: none"> • Director • Member of Nominating and Governance Committee

Ms. Robin Ann Abrams is the member of the Audit Committee, Nomination and Remuneration Committee and Risk Management Committee of the Board of Directors of the Company. Her shareholding in the Company is Nil.

Ms. Robin Ann Abrams is not related to any of the Directors of the Company.

Mr. Keki Mistry

Mr. Keki Mistry, aged 59 years is the Vice Chairman & Chief Executive Officer of HDFC Ltd. He is a Chartered Accountant from the Institute of Chartered Accountants of India and a Certified Public Accountant from the Michigan Institute, U.S.A. Besides being on the board of several

HDFC Group companies including HDFC Bank, Mr. Mistry is also on the Board of other companies including Sun Pharmaceutical Industries Ltd. and Torrent Power Ltd. Some of Mr. Mistry's recognitions include the CFO India Hall of Fame by the CFO India magazine in 2012, the 'CA Business Achiever of the year' award in the Financial Sector by the Institute of Chartered Accountants of India ('ICAI') in 2011, declared as the Best CFO in the Financial Services category by the ICAI for 2008, CNBC TV18's Award for the 'Best Performing CFO in the Financial Services Sector' for three consecutive years 2006, 2007 and 2008 and CFO of the Year for 2008, selected as the 'Best Investor Relations Officer' in the Corporate Governance poll by Asiamoney (2008).

Nature of expertise in specific functional area: Mr. Keki Mistry has experience in the field of accounts and finance, business management, strategic planning and areas relating to financial services.

The names of the Companies in which Mr. Keki Mistry holds Directorship(s) and Committee chairmanship(s)/ membership(s) are as under:

Sl. No.	Names of the Companies	Directorship(s) and Committee chairmanship(s) / membership(s)
1.	Housing Development Finance Corp Ltd.	<ul style="list-style-type: none"> • Vice Chairman & CEO
2.	HDFC Bank Ltd.	<ul style="list-style-type: none"> • Director • Member of Credit Approval Committee • Member of Customer Services Committee • Member of Fraud Monitoring Committee
3.	HDFC Asset Management Co. Ltd.	<ul style="list-style-type: none"> • Director • Member of Audit Committee • Member of Investment Committee • Member of Risk Management Committee • Member of Indemnity Committee • Member of Oversight Committee • Chairman of Share Allotment Committee
4.	HDFC Standard Life Insurance Co. Ltd.	<ul style="list-style-type: none"> • Director- Member of Audit Committee • Member of Investment Committee • Chairman of Executive Committee
5.	HDFC ERGO General Insurance Co. Ltd.	<ul style="list-style-type: none"> • Director • Member of Audit Committee • Member of Investment Committee
6.	Gruh Finance Ltd.	<ul style="list-style-type: none"> • Chairman • Member of Audit Committee • Member of Remuneration Committee
7.	Sun Pharmaceutical Industries Ltd.	<ul style="list-style-type: none"> • Director • Chairman of Audit Committee
8.	Griha Pte. Ltd., Singapore	<ul style="list-style-type: none"> • Director
9.	Greatship (India) Ltd.	<ul style="list-style-type: none"> • Director • Chairman of Audit Committee • Chairman of Selection Committee • Member of Remuneration Committee
10.	Next Gen Publishing Ltd.	<ul style="list-style-type: none"> • Director
11.	Shrenuj and Company Ltd.	<ul style="list-style-type: none"> • Director • Member of Audit Committee
12.	Torrent Power Ltd.	<ul style="list-style-type: none"> • Director • Chairman of Audit Committee • Member of Selection Committee
13.	Griha Investment, Mauritius	<ul style="list-style-type: none"> • Director
14.	India Value Fund Advisors Pvt. Ltd.	<ul style="list-style-type: none"> • Director
15.	H T Parekh Foundation	<ul style="list-style-type: none"> • Director
16.	PricewaterhouseCoopers	<ul style="list-style-type: none"> • Member of India Advisory Board
17.	CDC Group, London	<ul style="list-style-type: none"> • Director

Mr. Keki Mistry is a member of the Audit Committee and Risk Management Committee of the Company. His shareholding in the Company is Nil.

Mr. Keki Mistry is not related to any of the Directors of the Company.

Dr. Sosale Shankara Sastry

Dr. Sosale Shankara Sastry, aged 58 years, is currently the Dean of Engineering at University of California, Berkeley. Dr. Sastry is B.Tech from Indian Institute of Technology, Bombay; M.S. EECS (1979), University of California, Berkeley; M.A. Mathematics (1980), University of California, Berkeley and Ph.D. EECS, University of California, Berkeley. His areas of personal research are embedded control, cybersecurity, autonomous software for unmanned systems (especially aerial vehicles), computer vision, non-linear and adaptive control, control of hybrid and embedded systems, and network embedded systems and software. He has been concerned with cybersecurity and critical infrastructure protection. He has co-authored over 450 technical papers and 9 books. During his career, the positions held by him include Member, Scientific Advisory Board for Singapore National Research Foundation and Member of Science and Technology Advisory Board for the Thai Prime Minister.

Nature of expertise in specific functional area: Dr. Sosale Shankara Sastry has experience in the field of electronic research, Information technology sector, cybersecurity and critical infrastructure protection.

The names of the Companies in which Dr. Sosale Shankara Sastry holds Directorship(s) and Committee chairmanship(s)/ membership(s) are as under:

Sl. No.	Names of the Companies	Directorship(s) and Committee chairmanship(s) / membership(s)
1.	C3 Energy Inc.	• Director
2.	Atheer, Inc.	• Director
3.	Interwest, LLC.	• Member of Technical Advisory Board
4.	GE Software	• Member of Academic Software Advisory Panel

Dr. Sosale Shankara Sastry is not holding membership in any of the Committee of the Company. His shareholding in the Company is Nil.

Dr. Sosale Shankara Sastry is not related to any of the Directors of the Company.

Mr. Subramanian Madhavan

Mr. Subramanian Madhavan, aged 57 years, is a Fellow member of the Institute of Chartered Accountants of India and also holds Post Graduate Diploma in Business Management from the Indian Institute of Management, Ahmedabad. He was a Senior Partner and Executive Director in PricewaterhouseCoopers from where he retired. He was responsible for leadership development and coaching through annual performance planning for all leadership positions. His responsibility also included oversight and delivery of sectorally focused firm wide services, from Assurance to Advisory and Tax, being a primary relationship partner for several global clients. He was also a long standing leader of the indirect tax practice in PricewaterhouseCoopers and is nationally and globally recognized as a leading subject matter expert in that area. He is currently the Co-Chairman of the GST Task Force in FICCI, has been the past President Northern Region, Indo American Chamber of Commerce and the past Co-Chairman of the Taxation Committee, ASSOCHAM.

Nature of expertise in specific functional area: Mr. Subramanian Madhavan, has an expertise in Advisory and Tax matters and leadership development.

Mr. Subramanian Madhavan is a Director in Shopkhoj Content Private Limited. He does not hold any other Directorship(s) and Committee chairmanship(s)/ membership(s) in any other Company.

Mr. Madhavan is a member of the Audit Committee, Finance Committee, Employees' Stock Option Allotment Committee, Risk Management Committee and Corporate Social Responsibility Committee and is a Chairman of Stakeholders' Relationship Committee of the Company. Currently, his shareholding in the Company is 800 shares.

Mr. Subramanian Madhavan is not related to any of the Directors of the Company.

ANNUAL REPORT: 2013-14

WHERE **VALUES**^{*} DRIVE VELOCITY

THE FASTEST TO ACHIEVE:

\$1

BILLION IN NET PROFIT

&

\$5

BILLION IN REVENUE

&

\$15

BILLION IN MARKET CAPITALIZATION



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*SINCE 2013, HCL TECHNOLOGIES HAS WON MULTIPLE AWARDS IN CORPORATE GOVERNANCE AND EXCELLENCE, EMERGING AS A LEADER AMONGST ITS INDIA LISTED PEERS. THESE AWARDS INCLUDE THE ICSI CORPORATE GOVERNANCE AWARD, BEST GOVERNED COMPANY AWARD FROM THE ASIA CENTER FOR CORPORATE GOVERNANCE AND CNBC TV18 OUTSTANDING COMPANY OF THE YEAR.

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BOARD OF DIRECTORS

MR. SHIV NADAR

Chairman and Chief Strategy Officer

MR. AMAL GANGULI

Non-Executive & Independent Director

MR. KEKI MISTRY

Non-Executive & Independent Director

MR. RAMANATHAN SRINIVASAN

Non-Executive & Independent Director

MS. ROBIN ANN ABRAMS

Non-Executive & Independent Director

MS. ROSHNI NADAR MALHOTRA

Non-Executive & Non-Independent Director

DR. SOSALE SHANKARA SASTRY

Non-Executive & Independent Director

MR. SRIKANT MADHAV DATAR

Non-Executive & Independent Director

MR. SUBRAMANIAN MADHAVAN

Non-Executive & Independent Director

MR. SUDHINDAR KRISHAN KHANNA

Non-Executive & Non-Independent Director

MR. MANISH ANAND

Company Secretary

Auditors

M/s. S.R. Batliboi & Co. LLP
Chartered Accountants
Gurgaon

Bankers

Citibank, N.A.

Global Corporate & Investment Banking
DLF Centre, 5th Floor
Parliament Street
New Delhi-110001

Deutsche Bank AG

Corp. Office - DLF Square
4th Floor, Jacaranda Marg,
DLF City, Phase - II
Gurgaon-122002

Standard Chartered Bank

Corporate & Institutional Banking
Credit Operations, India
H -2, Connaught Circus
New Delhi-110001

State Bank of India

Corporate Accounts Group Branch
11th / 12th Floor Jawahar Vyapar Bhawan
1, Tolstoy Marg
New Delhi-110001

MANAGEMENT DISCUSSION AND ANALYSIS

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

Annual Report - MD&A

Current State of the Indian IT Industry

The Indian IT industry is in a revival mode. The economic pressures of preceding years, leading to higher focus by clients on business outcomes, presented an opportunity. The industry responded to this with alternative delivery models, introduced offerings aligned to business impact and started playing a larger role in client's innovation agenda. This enabled the industry to increase its share in the global outsourcing market.

According to NASSCOM estimates, the total size of the Indian IT industry reached \$118bn for the period April 2013 to March 2014 (described as FY14 by the industry), a growth of 9% over the last year. Out of this, export revenues crossed \$86bn, a growth of 13% over the last year. Within exports, IT services was the fastest growing segment, with an estimated growth of 14.3% when compared to the last year.

While US remains the largest market for India, accounting for 62% of the exports, there has been a revival in demand from Europe, which grew at an estimated 14% in FY14.

The market is expected to be driven by the emerging industry verticals such as retail, healthcare and utilities, though the mature vertical of Financial Services remains the largest segment, accounting for over 41% of the total industry exports.

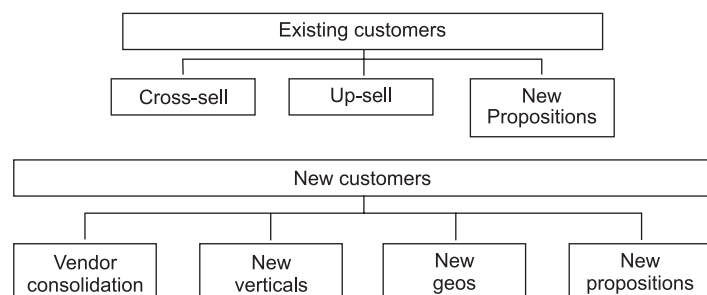
Industry Outlook

As per NASSCOM projections, for FY15 the industry exports are expected to grow between 13-15%, while domestic market revenues are expected to grow between 9-12%. Key technologies like digitalization, internet of things, smart grids, cloud computing, mobility and multi-channel consumer connect will play a major role in the investments decisions that the clients will make.

Drivers for future growth

- Digitalization, applications that are moving to the cloud, deeper adoption by business of newer technologies, and emergence of 'as-a-service model', present significant new opportunities for the IT industry.
- Digitalization is viewed by clients as a route to business model transformation for building sustainable competitive advantage. To achieve this, businesses not only need front office implementation, but also integration with middle and back office. Along with this, the need for enterprise clients to modernize their applications and transition to the cloud, is creating new potential.
- Mobility and analytics solutions remain key growth drivers for front office transformation. According to NASSCOM, companies worldwide are expected to spend about \$140 billion on mobility by the year 2020.
- Emerging markets and industry verticals present a significant opportunity as well. Verticals like media, retail, consumer products, telecom and hi-tech manufacturing are growing significantly, as they come out of the economic crisis of 2008. The growth rate of IT spending in these businesses quadrupled from year 2012 to 2013 and this pace is expected to continue. Continental Europe, Middle East and Africa (MEA) and Asia Pacific (APAC) are growing at a faster rate when compared to others.

HCL - Opportunities for Growth



At HCL, acquisition of new customers and growth within the existing customers has been the key to success.

Future growth opportunities will come both from existing as well as new customers.

- From existing customers, the opportunities reside in cross-sell, up-sell and new business aligned Generation 2.0 (Gen 2.0) propositions such as DSI™ (Digital Systems Integration), ALT ASM™ (Alternate Application Support and Maintenance) and EFaaS™ (Enterprise Function as a Service). HCL provides increased value to its customers by leveraging key alliances and partnerships to facilitate development of high-value solutions jointly.
- From the new customers, growth opportunities come from vendor-consolidation, newer industry verticals and newer geographies. Vendor consolidation will contribute significantly to global offshoring.

HCL's ability to grow customer relationships, particularly into large accounts, will be critical for its growth in the coming years.

The HCL Strategy

HCL's strategy of focusing on growth, employee-driven innovation and unique positioning in the marketplace has further improved its competitive standing. The market has shifted from Generation 1.0 (Gen 1.0) which was predominantly a cost-focused outsourcing to Gen 2.0, which is business-focused outsourcing. HCL has invested in Gen 2.0 propositions which are aligned to create business impact.

ALT ASM™ dwells on the concept of Proactive Obsolescence and goes beyond traditional ASM to proactively reduce the number of tickets to zero. HCL's DSI service offerings enable organizations to transform themselves from a traditional IT organization to a digital enterprise.

Reborn Digital™ strategy analyzes and connects an organization's legacy systems, assesses its readiness for the digital age, and addresses the challenges through solutions that create a complete digital enterprise. HCL's EFaaS™ service enables organizations to reduce cost of operations through creation of specialized utilities, and achieve 25%-35% cost reduction within each utility.

An employee-driven innovation culture has enabled HCL to drive higher customer satisfaction (CSAT) and outgrow the industry. Employees are driven by the Relationship Beyond the Contract philosophy (RBtC) and Ideapreneurship™ - a culture which empowers employees to come up with innovative solutions to create business impact for the clients.

Infrastructure Services Division

Infrastructure Services Division (ISD) manages mission-critical IT environment for over 20 of the Fortune 100 companies. With a differentiated and future ready value proposition, ISD is well positioned to address the IT infrastructure requirements of an enterprise.

ISD is widely recognized by the analyst community as a leading Infrastructure services provider globally. The division's key service offerings include:

- **Next Generation Data Center and Cloud Services:** End - to - End Service portfolio spanning Datacenter and Cloud Hosting propositions, covering Workload Assessment Services, DC/Cloud Migration and Transformation Services, along with end - to - end DC/Cloud Management, Operations, and Converged Security and Network stack. The practice also covers Mainframe and AS 400 Environment Management.

HCL continues to invest in building industry leading, differentiated tools for optimized cloud enablement such as HCL CART (Cloud Assessment Tool), Cloud Command Center (CCC- specialized Cloud Migration, Deployment and Operations Center) and HCL MyCloud Portal for Cloud Aggregation, End user enablement and management.

- **Business Productivity Services** - Workplace modernization and provisioning services that cover end-user enablement (HCL Optibot) and profiling (Kaleidoscope), Service desk and global field support, Remote/Branch site optimization (Zero Infrastructure Footprint), Hybrid messaging, Social and collaboration services, Enterprise Mobile enablement, Managed print services, Virtualization and Desktop as a Service, Client application management services and OS (Windows 7/8, iOS, Android) migration.
- **Digital Operations Services** - HCL's digital operations service capability targets to bring in "WebScale IT" architecture into an enterprise. The HCL service offering combines into a unified service wrapper several components including an agile DevOps-oriented Support framework, a highly elastic, self-healing Infrastructure, High level of automation, eSecurity practices and an end-to-end Performance Management Solution. This service offering is targeted to meet the end-to-end IT Operations of the digital side of large G2K enterprises.

HCL- Key Growth Drivers:

- Gen 2.0 business aligned propositions such as DSI™, ALT ASM™ and EFaaS™.
- Well balanced portfolio to address full IT opportunities.
- Simplified and consolidated structure with clearly established lines of accountability.
- Positioning as a provider of end-to-end services.
- Focus on both existing as well as new customers.
- Best -in-class account management practices.
- Investments in high value services and global delivery model.
- Looking beyond traditional levers to achieve non-linear growth.

- **Cross-Functional Services** - One of the critical services that leverage service management based on ITIL (Information Technology Infrastructure Library) based processes for centralized management of distributed assets. The services included are disaster recovery and business continuity services, service automation and governance, risk and compliance services. Many of these services are bundled with the overall services; including award-winning tools and frameworks such as MTaaS™ (Management Tools-as-a-Service) and Gold Standard (Operations Maturity Assessment framework).
- **Network Services** - Lifecycle management services that span strategy, transformation and operations, covering Strategy Definition, Audit Services, Risk Assessment and Mitigation Planning, Policy Definition and Implementation, Unified Communication Services, LAN/WAN Consolidation Migration and 24x7 Network Infrastructure Incident and Monitoring and Management (Network Operations Center).
- **Information Security Services** - Information Security Services portfolio includes Systems Security, End Point Security, Application Security, Data and Content Security, IAM, Network Security and Enterprise Security Assurances Services. With over 17 years of experience in info-security lifecycle management, HCL has experience of delivering over 150 information security projects across multiple industry verticals.
- **System Integration Services** - These cover the entire infrastructure services stack. ISD has successfully delivered over 580 complex IT infrastructure architecture and operations transformations and is increasingly acknowledged and recognized by Fortune 500 and Global 2000 companies as a credible alternative to top tier global MNCs.

HCL's Enterprise of the Future (EOF) framework leverages the above managed services to prepare a blueprint that allows assimilating and adopting Social Media, Mobility, Cloud and Analytics within an enterprise. The framework also enhances the strategic, technological and economic value of IT.

HCL's ISD provides infrastructure management services to customers through a robust delivery network of service centers across the globe, in over 26 languages. Infrastructure operations include standardized management of globally distributed assets of over 5 million mission critical IT devices; resolving over 17 million helpdesk contacts and supporting the needs of over 1.4 million business users.

The solution caters to major industries including Automotive, Banking, Chemical, Energy (Oil and Gas) and Utility, Consumer Electronics, Financial Services, Consumer Product Goods, Hi-tech, Independent Software Vendor (ISV), Insurance, Life Sciences, Healthcare and Pharmaceuticals, Manufacturing, Media, Publishing and Entertainment, Retail, Telecom, Travel and Tourism and Logistics. HCL's fast growth has prompted several bestselling authors to include the ISD case study in their books and research.

The division has received its share of accolades:

- HCL has been positioned as a Leader in Gartner Magic Quadrant for Data Center Outsourcing and Infrastructure Utility Services, North America, by William Maurer, David Edward Ackerman, Bryan Britz, July 2013.
- HCL has been positioned as a Niche Player in Gartner Magic Quadrant for Data Center Outsourcing and Infrastructure Utility Services, Europe, by Claudio Da Rold, Gianluca Tramacere, Frank Ridder, July 2013.
- HCL has been positioned as a Niche Player in Gartner Magic Quadrant for Data Center Outsourcing and Infrastructure Utility Services, Asia Pacific, by Rolf Jester, Freddie Ng, Jim Longwood, Arup Roy, November 2013.
- HCL has been positioned as a Challenger in Gartner Magic Quadrant for End-User Outsourcing, Europe, by Gianluca Tramacere, Claudio Da Rold, Ian Marriott, 14 August 2013.
- HCL has been positioned as a Leader in Gartner Magic Quadrant for End-User Outsourcing, North America, by David Edward Ackerman, William Maurer, Bryan Britz, 2013.
- HCL has been positioned as a Leader in Gartner Magic Quadrant for Communications Outsourcing and Professional Services, by Eric Goodness, Christine Tenneson, 21 October, 2013.
- Award: HCL Technologies and Cummins Inc., have received the prestigious Outsourcing Excellence Award of Best Long-term Relationship from the Outsourcing Center for demonstrating a successful partnership of 10 years.

Snapshot

- Services offered are primarily geared towards G2000 companies and offer a credible alternative to Global MNC IT outsourcers.
- Manages mission critical environments for over 20% of the Fortune 100 companies.
- Offerings: Next Generation Data Center and Cloud Services, Business Productivity Services, Network Services, Digital Operations, Information Security Services, Cross-Functional Services, Mainframe and AS/400 Management and System Integration.
- Industries served include Automotive, Banking, Chemical, Energy (Oil and Gas) and Utility, Consumer Electronics, Financial Services, Consumer Products, Hi-tech, Independent Software Vendor (ISV), Insurance, Life Sciences, Healthcare and Pharmaceuticals, Manufacturing, Media, Publishing and Entertainment, Retail, Telecom, Travel and Tourism, Logistics, etc.

Applications Services

HCL's Applications Business provides customers with integrated transformational services for their applications portfolio. With operations across 31 countries, it offers a broad range of focused applications and business services, and the unique ability to seamlessly integrate multiple service lines as best suits our clients' individual requirements. The business combines this approach with in-depth expertise in major industries such as consumer services, manufacturing, life sciences and financial services.

HCL's Applications Business offers technical expertise organized around 11 horizontal capabilities. This structure offers customers transformation value which builds upon the specialist experience and knowledge of our seasoned professionals. HCL's engagements are diverse and comprehensive, and provide customers with solutions that meet business challenges across a number of industries. HCL's solutions help support enterprises' business needs, from attracting and managing a growing workforce to enabling enterprise mobility for millions of customers or leading a complex ERP deployment across over 100 countries.

With HCL, customers get a fresh perspective and a unique capability compared to other IT services providers - the Company calls this the 'Alternative'. The landscape of the IT industry is changing and the applications market in particular has undergone a transformational shift. While traditional systems integration services remain critical, clients are now seeking partners that can also help them make sense of emerging technologies and make their IT systems ready for the future, while simultaneously reducing costs. HCL recognizes this shift and has adapted its approach to the applications services portfolio to meet the changing needs of its clients.

HCL maintains strong relationships with a number of key alliance partners. Its work with partners allows it to deliver transformational engagements and develop leading solutions in the marketplace. Tier 1 partners include SAP, Oracle and Microsoft with whom HCL Technologies holds the highest global level of partnership for IT service providers. Additional partnerships are also in place at the horizontal level. For example, the Business Analytics Services horizontal leverages strong relationships with Informatica and MicroStrategy to provide specialist technical knowledge.

HCL continues to invest significantly in relevant research and campaigns that provide unique insight and real value to executives and decision makers. For example, a recent research commissioned by HCL has shown the potential to move \$39 billion worth of SAP applications to the cloud over the next two years. HCL recognizes the key motivators and inhibitors of such a transition, and has developed solutions that will support businesses in their digital transformations. HCL's forward-looking research on the future of IT is supported by strong external marketing and its presence at major international events such as SAPPHIRE NOW and Oracle OpenWorld, as well as at dedicated events devoted to specialist industries and technical needs.

HCL recognizes the importance of investing in and developing strong intellectual property across its technical capabilities. The Company provides organizations with easy - to - use and powerful tools including accelerators, frameworks and comprehensive methodologies which support customers in quickly and confidently addressing their business needs.

Using its engagement experience and technical expertise, HCL has also

Applications Business Unit: Snapshot

- 44.2% of HCL Technologies' revenues
- Key partnerships: SAP, Microsoft, Oracle, IBM
- Offerings: Business Analytics Services, Business Assurance and Testing, CRM, e-Commerce and Omni-channel, HCM, Integration and Middleware, Microsoft, Oracle, SAP, Collaboration and Enterprise Content Management Platforms
- Industries: Consumer Services, Financial Services, Life Sciences and Healthcare, Manufacturing, and Public Sector
- Focus areas: Digital Systems Integration (DSI) and ALT ASM
- HCL Technologies has been featured as a leader in the mobile service space by IDC, in the recent report titled "IDC MarketScape: Worldwide Mobile Application Development, Testing, Management, and Infrastructure (mADTMI) Services 2014 Vendor Assessment." IDC assessed 14 service providers, offering mADTMI services to enterprise-class firms.
- HCL has been positioned as a Leader in the IDC MarketScape: Worldwide Mobile Application Development, Testing, Management and Infrastructure Services 2014, Vendor Assessment, March 2014. According to the report, "HCL earned high marks against IDC's customer satisfaction rating category and level of marketing investment for its mADTMI services. In client interviews, HCL clients shared glowing remarks on HCL's technical strength and industry knowledge, experience with mobility, and its deep rooted relationships with mobile device manufacturers".
- Technology Business Research (TBR) has published an exclusive white paper titled 'HCL's App Test Factory Service Line Unit reduces testing costs and time to market for mobile applications'. The white paper notes, "HCL's App Test Factory solution addresses multiple client pain points associated with mobile application testing by eliminating the need to continually invest in new tools and test cases for each new device or platform and by enabling organizations to manage testing resources agilely across locations through a single portal."
- HCL has been positioned as a 'Leader' in The Forrester Wave™: North American Applications Outsourcing Services, Q1 2014 authored by William Martorelli, Forrester Research Inc.
- HCL has been rated as a 'Leader' in The Forrester Wave™: EMEA Application Outsourcing Services, Q1 2014 authored by William Martorelli, Forrester Research Inc.

developed a number of proprietary tools, including iMRO, SAP's endorsed solution for maintenance, repair and overhaul. iMRO empowers organizations in the aerospace, aviation and defence sectors with an industry leading solution for asset management and maintenance. The powerful solution supports organizations in the repair and management of critical multi-million dollar assets and has been built in partnership with SAP. Similarly, HCL's FinEdge solution has been designed exclusively for the wealth management industry providing a real-time comprehensive view of the customer and helping to reduce operating costs.

HCL recently unveiled two new propositions to meet the changing needs of the IT market, Digital Systems Integration (DSI) and ALT ASM. DSI is HCL's solution to the modern CEO's dilemma of how to transform the company from a traditional IT organization to a digital enterprise. The journey to become a digital enterprise is a large undertaking, but HCL offers a simple framework designed to help clients streamline their legacy IT landscapes to realize cost savings, migrate applications to the cloud, and reinvest savings in the implementation of new social, analytics and mobile technology. HCL's ability to transform a traditional business into a digital one allows the enterprise to continue to compete against newer companies that were essentially 'born digital'.

HCL's ALT ASM proposition goes beyond traditional application support and maintenance contracts. HCL's alternative approach to ASM takes ASM from a simple ticket resolution activity to a contractual commitment of service delivery and guaranteed operational gains for clients. HCL helps organizations build upon the best ideas of employees, eliminate non-value added activities and offer enhanced platform stability and zero downtime. This is supported by lean practices that lead to improved efficiency and HCL's proprietary tools provide increased visibility into the entire process, allowing for improved service quality and reduced incidents.

HCL's Applications Business will see rapid growth across all of its horizontal capabilities in the next year as it continues to develop new solutions and adapt existing service offerings in order to meet the ever changing needs of its clients.

Engineering and R&D Services

HCL's Engineering and R&D Services (ERS) business unit is the largest Indian engineering service provider and constitutes 16.2% of the company's overall revenues. HCL ERS business unit works with some of the most innovative and successful organizations in the world. With over two decades of experience of operating in complex multi-vendor environments and customer value chains, the business unit is able to seamlessly integrate into a customer's existing R&D activities.

HCL ERS offers end-to-end engineering services and solutions in hardware, embedded, mechanical and software product engineering to industry leaders across verticals like - Aerospace and Defence, Automotive, Consumer Electronics, Industrial Manufacturing, Medical Devices, Networking and Telecom, Office Automation, Semiconductors, Servers and Storage and Software Products. It successfully collaborates with other innovation partners, captive centers, universities, industry bodies and manufacturing partners.

HCL ERS understands that its success as an engineering partner depends on the success of its customers' products and solutions. HCL believes that business success today is the result of customer experiences. HCL ERS helps product and technology companies drive great engineering experiences to create significant business impact and value through accelerated product launches, improved engineering efficiencies and adoption of new and disruptive technologies. A deep engineering heritage, out-of-the-box thinking, and a solid foundation of talent, processes, systems, frameworks and tools, are just a few of the reasons why some of the largest global ESO (Engineering Services Outsourcing) partnerships are with HCL ERS. HCL has helped customers across industries achieve their business strategy through product engineering, platform solutions and the creation of unique engineering experiences.

Thought leadership has become one of the key differentiators as the industry moves up the value chain. HCL ERS is committed to create thought leadership in areas such as social media, medical devices, Product Lifecycle Management (PLM), gesture technology, etc. HCL practices it by encouraging bold thinking and disruptive approaches that are needed to help customers outperform in a rapidly changing digital economy.

HCL is not only involved in engineering complex and critical products for some of the largest corporations in the world, but also constantly pushing the boundaries of technology and defining new and differentiated ways to offer its services. One such differentiation is the suite of solutions which takes HCL developed best practices, IPs and accelerated frameworks and packages them into service offerings that solve critical and highly relevant business problems for customers.

Snapshot

- Constitutes 16.2% of HCL's revenues
- One of the largest global Engineering and R&D Services organizations in the world
- Offerings: End-to-end engineering services and solutions in hardware, embedded, mechanical and software product engineering
- Key differentiator: "Engineering Experiences" [E2]
- Industries served: Aerospace and defence, automotive, consumer electronics, industrial manufacturing, medical devices, networking and telecom, office automation, semiconductors, servers and storage and software products
- Executed faster product development with automated testing processes for world's largest anti-virus company
- Filed multiple patents in Mobility and Banking
- Key IPs: App Test Factory, Intelligent Sustenance Engineering, Interactive Electronic Technical Manuals, Platform Acceleration Suite, Intelligent Tech Support

HCL's solutions cater to engineering needs across the entire product development lifecycle and provide solutions that help the customer address challenges of accelerated product development, gaining a price to benefit ratio and adapting to new technologies. HCL is investing heavily in developing solutions to help clients impact the overall product ecosystem faster and better. Some of the focus areas of HCL's solutions include Mobility, Machine 2 Machine Platforms, Software as a Service model, Cloud, Natural User Interface, etc.

HCL is placed in the Leadership Zone by a leading analyst firm among the Automotive, Consumer Electronics, Computer Peripherals and Storage, ISV, Consumer Software, Medical Devices, Semiconductors, Cloud Computing, Enterprise Mobility and Aerospace and Defence R&D service providers. This is proof of the fact that HCL ERS is capable of performing Concept to Go-To-Market for the product and has significant investment in Lab infrastructure. There is niche capability across Engineering, Embedded and Software services. HCL ERS possesses a formal innovation culture, resulting in IPs and strategic innovations and plays a leadership role in alliances, leverage startups, specific academic research and co-creation with customers.

Business Services Division

HCL pioneered third party BPO in India by launching its BPO division in 2001. Today, HCL's Business Services division provides Next Generation BPO services to nearly 100 clients across various geographies and industries.

HCL's Business Services division has built its presence across multiple geographies with state-of-the-art BPO delivery centers (34 delivery centers across India, UK, USA, South America, East Europe, and APAC). HCL's Business Services division is equipped to offer Round the Clock services on a 'follow-the-sun' Global Delivery Model through a combination of offshore, near shore and onshore delivery centers.

Through its Business Services, HCL today provides domain oriented, transformation-led BPO solutions and services to Fortune 500/Global 2000 customers. Through its Vertical Business Services, HCL keeps its focus on Banking and Financial Services, Insurance and Healthcare. HCL's 'Enterprise function as a service' (EFaaS™) is a BPO-led offering which combines end-to-end business transformation and outcome/benefit realization. Through its Enterprise Business Services, HCL offers horizontal BPO services such as F&A, SCM, Product Support and HRO while combining its strengths in Applications, Infrastructure and Consulting to offer BPO led transformation services to enterprises across industries with a keen focus on delivery business outcome.

Risks and Concerns

1. Treasury Related Risks

Risk

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

Snapshot

- BPO constitutes 5.1% of HCLT's revenues
- Offers Next Generation BPO services to global organizations, most of which are Fortune 500/Global 2000 companies
- Areas of focus
 - o Vertical Business Services: BFSI, Healthcare
 - o Enterprise Business Services: F&A, SCM, Product Support Services and Enterprise function as a service (EFaaS™)
- Scale of operations: Integrated Global Delivery across 34 BPO delivery centers in India, UK, USA, South America, East Europe and APAC
- Best in class BPO enablers across delivery, innovation and governance
- Flexible business models, including Output and Outcome based constructs
- Risk & Compliance to meet statutory and regulatory requirements
- A decade of industry experience and winner of several industry awards and recognitions
- Ranked in the Leaders Category of IAOP's 2014 Global Outsourcing 100
- ISG lists HCL as Leaders in both ITO and BPO Trailing 12 Months, 2014
- Exclusive case study titled 'HCL: Managing U.K. Bank Accounts for A European Bank' published by NelsonHall, 2014.
- Positioned in the Challengers quadrant in Finance & Accounting (F&A) BPO, Gartner 2014
- Star Performer and Major Contender in Banking BPO, Everest 2013
- Star Performer and Major Contender in Capital Markets BPO, Everest 2013
- Major Contender in Insurance BPO, Everest 2013
- Major Contender in Finance and Accounting Outsourcing, Everest 2013
- Major Player in Life Science R&D BPO, IDC 2013
- Market Leader in Legacy Policy Cost Reduction, Nelson Hall 2013

HCL Strategy

As a risk containment strategy, HCL has taken hedges to protect its receivables and forecast revenues against the foreign

currency fluctuations. This strategy is aimed at minimizing the risk against unfavorable movement of foreign currencies. The treasury department of the Company continues to track the foreign exchange movements and underlying currency exposures and takes advice from financial experts to decide its hedging strategy from time to time.

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

2. Employee related Risks

Risk

In the IT industry, the ability to execute projects, build and maintain client partnerships and achieve forecasted operating and financial results are significantly influenced by the organization's ability to hire, train and retain highly skilled IT professionals. The market continues to be highly competitive in attracting and retaining IT professionals and is further compounded by constraints on talent mobility due to changing regulatory requirements across geographies.

HCL Strategy

HCL's culture of ideapreneurship and management model of "Employee First, Customer Second" helps to build relationships beyond the contract with its clients and people. HCL continues to direct investments on practices that help the Company retain the right skilled professionals at the right place, right time and right cost by engaging and enabling employees to grow using the career performance, reward, learning and talent management practices. This effort is strengthened by empowering employees to operate with autonomy and exercising judgement. This strategy is influenced by many factors that are dynamic in nature and can cause challenges in execution.

3. Regulatory Compliance Risk

Risk

As HCL operates in a number of developing countries and is continuously adding new geographies, there is an increased risk of non-compliance to regulatory requirements.

HCL Strategy

HCL has put in place a comprehensive global regulatory compliance framework to track regulatory compliances globally. Detailed checklists are available with respective process owners to ensure compliance. In addition to this, quarterly compliance reviews are carried out, based on which compliance certificates are presented to the Board of Directors. The legal function helps in creating awareness of the regulatory framework and focuses on various local compliance - related aspects being faced by business entities in the respective countries.

4. Technology Related Risks

Risk

HCL operates in an ever evolving and dynamic technology environment and it is of utmost importance that the Company

continuously reviews and upgrades its technology, resources and processes lest it faces technology obsolescence.

HCL Strategy

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

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

HCL leadership provides oversight through the Delivery & Operations Council to ensure that the business delivery teams adapt and sustain various technology transformation initiatives and frameworks by providing technical training and direction in addition to help them synergise across the organization.

- The Delivery Assurance team drives definition and implementation of new practices and frameworks for efficient and effective delivery of products and services.
- The Quality team drives continuous process improvement aligning with mature and evolving international process standards and certifications.
- The Tools team identifies appropriate tools, develops new tools and supports the tools deployed and also provides consulting and tools - related training to project teams.
- The Talent Development Group supports the Technical Training team (called TechCEED) which focuses on Competency Enhancement to continually upgrade the technical competency of delivery teams and manages the Learning Management System.

This Council works closely with vertical and horizontal Line of Business delivery units for adopting and implementing the latest technological enhancements in their respective domains. In addition to the in-house training and development initiatives, the Company keeps itself abreast and updated of the contemporary developments in the technology landscape through participation in key technology forums and conferences.

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

5. Competition Related Risks

Risk

With the economic concerns and emergence of alternative delivery models such as the cloud, the market is becoming highly competitive and more and more aspirants are vying with each other for market share. The line is diminishing between the traditional IT services players and non-traditional players like telecom services providers, business consulting service providers, hardware and software providers and digital/ marketing agencies. MNC IT players are increasingly

developing their offshore presence, levelling the playing field with Indian IT providers. Further, there is rising competition from local providers in regions such as Europe and new entrants in emerging geographies such as China, Philippines etc. Because of all these factors, customers have more choices of technology, alternative delivery models, vendors and new services models. Under this scenario, the risk of not innovating and differentiating enough could hurt the interests of the Company.

HCL Strategy

In an environment where traditional IT services are getting commoditized, HCL is responding through services innovation, business aligned Gen 2.0 propositions and an employee driven innovation culture. As the market shifts from traditional Gen 1.0 focus on cost to Gen 2.0 focused on business innovation, HCL has invested and introduced business aligned propositions such as ALT ASM™, EFaaS™ and DSI. Through this unique strategy, HCL is winning contracts away from major incumbents, as well as new contracts. This, coupled with an employee-driven organization, has helped HCL outpace industry growth over the past few years. HCL actively seeks partnerships with game changing players in emerging technologies such as the cloud and digital. These investments and partnerships provide HCL with the competitive edge to stay ahead.

6. Physical Security

Risk

Risk to human life and assets due to incidence of terror attacks remains a major risk for companies operating globally and particularly in certain affected parts of the world. The impact could be more on service companies as against manufacturing companies due to the former's manpower intensive business model and the greater time sensitivity of operations.

HCL Strategy

HCL Facilities are organized on a three tier physical security system based on an integrated security design comprising security infrastructure, CCTV surveillance and access control, supported by trained security manpower and robust security procedures. Well-coordinated protective response to diverse security threats is assured by ERTs (Emergency Response Teams), Facility Evacuation Plans and strengthening of Disaster Recovery and Business Continuity Plans (DR-BCP). These steps minimize the risk to human life and assets, and provide a high degree of assurance in continuity of operations with minimal disruptions.

In FY 2014, by consolidation of the smaller facilities into well planned and secured campuses, the ability to withstand and recover from deliberate attacks, accidents, or naturally occurring threats or incidents will increase, contributing to improved security and greater resilience.

To cater for Travel Security Risks, a comprehensive Travel Risk Management program is available to all HCL employees undertaking international business travel. The program provides worldwide medical, security and emergency assistance for the travel, as well as real-time medical and security information and advice on travel destinations.

7. Business Continuity and Information Security

Risk

HCL is in the business of developing, maintaining and operating mission-critical Business and IT applications and infrastructure for various global customers in multiple industries. Any natural or man-made catastrophe may disrupt business operations and cause irreparable damage to the brand and reputation of the Company and/or its customers and may result in loss of business. Similarly, confidentiality and security of confidential data also may pose risk of data leakage or loss.

HCL Strategy

HCL has put in place a comprehensive Business Continuity program to ensure that HCL meets its Business Continuity and Disaster Recovery related requirements as agreed with customers. Similarly, there is a global Risk and Compliance framework and Information Security team in place to assess and manage the Information Security, Data Privacy and related risks by leveraging the Company's people, processes & technology.

8. Internal Control Systems and their adequacy

The Company has put in place an adequate system of internal control commensurate with its size, geographic spread and nature of business. This provides reasonable assurance in respect of the integrity of financial and operational information, complying with applicable statutes, safeguarding the assets of the Company and ensuring compliance with corporate policies.

The Company has a dedicated Internal Audit team commensurate with the size, nature, geographic spread and complexity of operations of the Company. Internal Audit reports functionally to the Audit Committee of the Board, comprising 4 independent directors, which reviews and approves a risk based annual internal audit plan. The Audit Committee periodically reviews the performance of the internal audit function.

The Audit Committee also reviews Enterprise-wide risks at the organization level and monitors implementation of mitigation plans by the management.

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

The Audit Committee reviews adherence to internal control systems, internal audit reports and legal compliances. This Committee reviews all quarterly and yearly results of the Company and recommends the same to the Board for its approval.

PERFORMANCE TREND

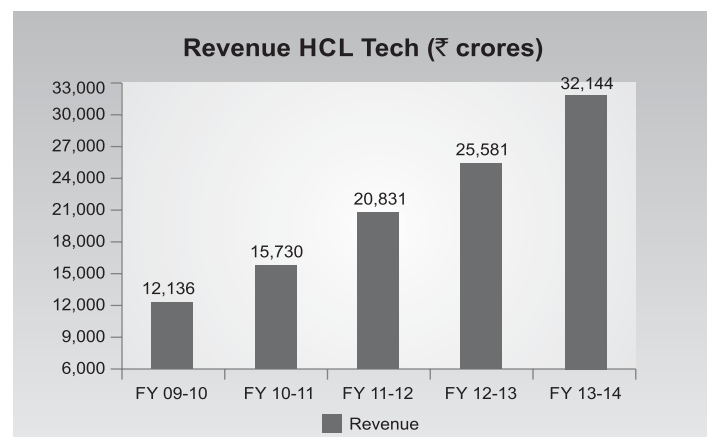
HCL Technologies Limited (HCL) is a leading Company in the IT / ITES space, offering a full array of services to its customers for pursuing growth opportunities and facing business challenges. HCL has demonstrated agility and adaptability to the changing business environment in providing innovative customer specific solutions, powered by best-in-class processes.

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

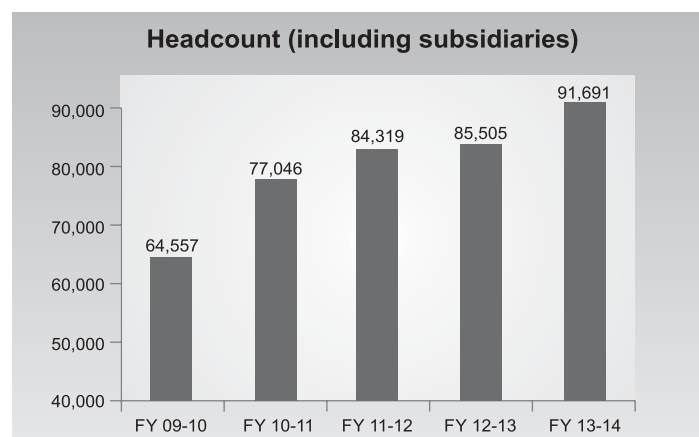
OPERATIONAL EXCELLENCE

Revenue trend

Revenues grew to a record high of ₹32,144 crores (\$ 5.36 billion) in 2013-14, a rise of almost 2.6 times from 2009-10, a CAGR of 27.6%.

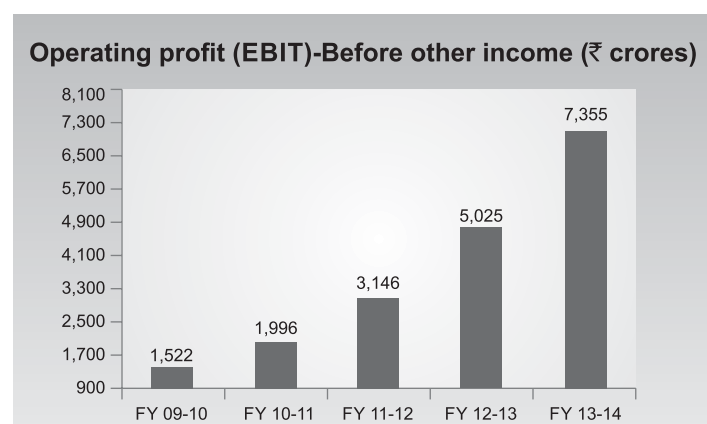


Headcount (including subsidiaries) has expanded by more than 1.4 times from 64,557 in 2009-10 to 91,691 in 2013-14.



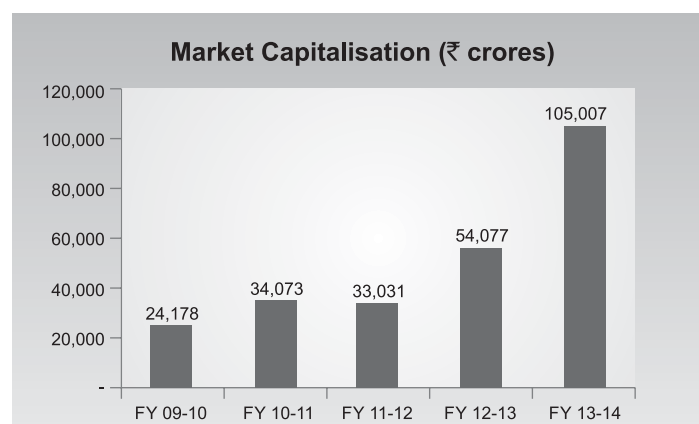
Earnings trends

Earnings before interest and tax (EBIT) excluding other income have grown by 4.8 times from ₹1,522 crores in 2009-10 to ₹7,355 crores in 2013-14, a CAGR of 48.3%.



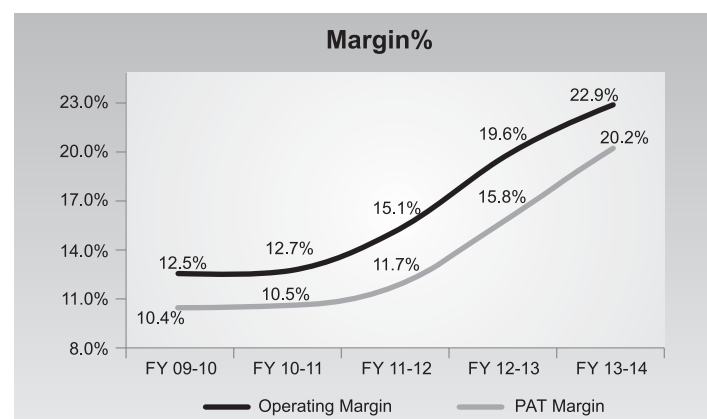
VALUE ADDITIONS SINCE FISCAL 2009

Market capitalization increased from ₹24,718 crores in fiscal 2009 to ₹105,007 crores in fiscal 2014.

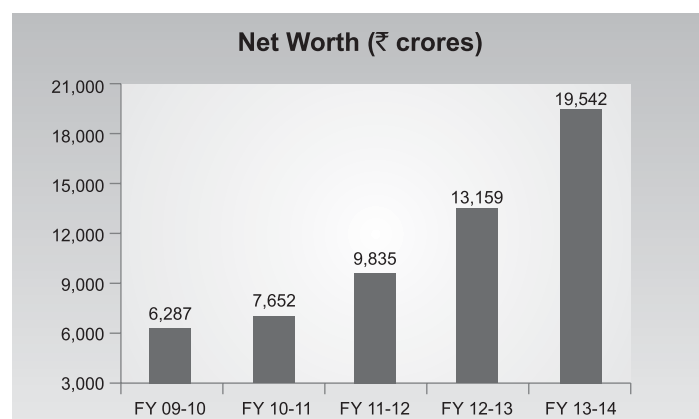


*Market Capitalization based on market rate as on 30 June of the respective financial year.

Operating profit (profit before interest and tax) has improved from 12.5% in 2009-10 to 22.9% in 2013-14.

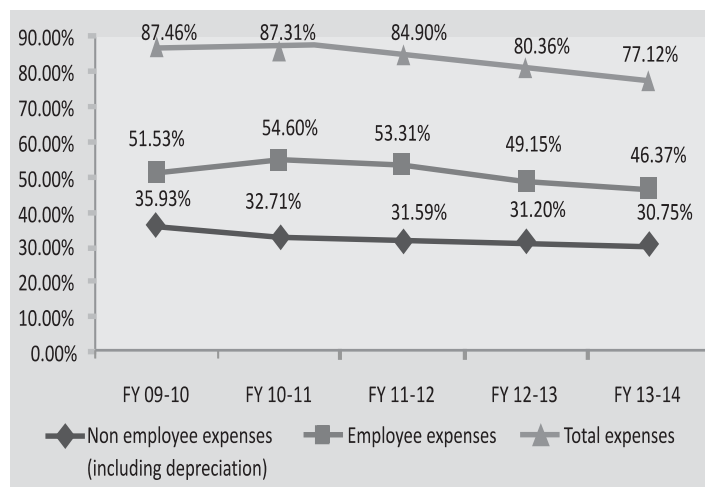


The net worth of the Company has more than trebled in the last 5 years.



Management of costs

The Company's continuous efforts to control and manage its costs have ensured that employee expenses in relation to revenue have remained steady. Sustained productivity drive is also reflected in steady decrease in non-employee costs as a percentage of revenue.



Customer Centricity

The Company's organizational structure and processes are designed to focus on customers. Ability to understand customers' needs and offer relevant solutions has resulted in significant growth in the number of customers and upward movement in revenue bands.

No. of Million Dollar Clients	Number of customers	
	Fiscal 2014	Fiscal 2009
100 Million dollar +	6	2
50 Million dollar +	15	4
40 Million dollar +	18	7
30 Million dollar +	37	8
20 Million dollar +	67	20
10 Million dollar +	114	43
5 Million dollar +	187	85
1 Million dollar +	429	253

FINANCIAL PERFORMANCE

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

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

Consolidated results of HCL Technologies limited:

This part of the Management Discussion and Analysis refers to the consolidated financial statements of HCL ("the Company" or "the Parent Company") and the subsidiaries, joint venture and associates referred to as "the Group". The discussion should be read in

conjunction with the financial statements and related notes to the consolidated accounts of HCL for the year ended 30 June 2014.

Results of Operations (Consolidated):

(₹ in Crores)

Particulars	Year Ended June 30				Growth
	2014	%	2013	%	
Revenue from operations	32,144	100.0	25,581	100.0	25.7
Total Revenues	32,144	100.0	25,581	100.0	25.7
Cost of materials	1,029	3.2	959	3.7	7.3
Employee benefit expense	14,906	46.4	12,574	49.2	18.5
Other expenses	8,173	25.4	6,386	25.0	28.0
Depreciation and amortization expense	681	2.1	637	2.5	6.9
Total Expenditure	24,789	77.1	20,556	80.4	20.6
Profit before Finance cost, Other Income & Tax	7,355	22.9	5,025	19.6	46.4
Finance costs	115	0.4	106	0.4	8.4
Other income	677	2.1	351	1.4	92.9
Profit before tax	7,917	24.6	5,270	20.6	50.2
Provision for tax	1,410	4.4	1,226	4.8	14.9
Share of profit of associates	20	-	(0)	-	-
Minority interest	(18)	-	(4)	-	-
Profit after tax	6,509	20.2	4,040	15.8	61.1

Revenues:-

Revenues during fiscal 2014 have grown by 25.7% compared to fiscal 2013.

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

Segment wise details are given below:

(₹ in Crores)

Particulars	Year Ended June 30				Growth
	2014	%	2013	%	
Software services	19,708	61.3	16,975	66.4	16.1
IT Infrastructure services	11,050	34.4	7,525	29.4	46.8
Business Process Outsourcing services	1,386	4.3	1,081	4.2	28.2
Total Revenue	32,144		25,581		25.7

Geography wise breakup of revenues

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

(₹ in Crores)

Particulars	Year Ended June 30				Growth
	2014	%	2013	%	
US	16,859	52.4	14,798	57.8	13.9
Europe	9,258	28.8	6,790	26.6	36.4
India	1,488	4.6	1,077	4.2	38.2
Rest of the World	4,539	14.2	2,916	11.4	55.6
Total Service Revenue	32,144		25,581		25.7

Employee benefit expense:-
(₹ in Crores)

Particulars	Year Ended June 30			
	2014	%	2013	%
Salaries, wages and bonus	12,965	40.4	11,027	43.1
Contribution to provident fund and other employee funds	1,843	5.7	1,458	5.7
Staff welfare expenses	67	0.2	74	0.3
Employee stock compensation expense	31	0.1	15	0.1
Total	14,906	46.4	12,574	49.2

Employee benefit expenses have reduced from 49.2% of revenue in fiscal 2013 to 46.4% in fiscal 2014 driven by improved utilization of billable manpower and strengthening of USD, GBP, EURO and other currencies against INR.

The utilization of billable manpower improved from 82.9% in fiscal 2013 to 84.4% in fiscal 2014.

In absolute amounts, employee benefit expenses have increased to ₹14,906 crores in 2014 from ₹12,574 crores in 2013, an increase of 18.5%. The increase is primarily on account of :

- Strengthening of USD, GBP, EURO and other currencies against INR resulting in higher cost for employees based outside India.
- An increase in number of employees during the year, from a total of 85,505 at the end of fiscal 2013 to 91,691 at the end of fiscal 2014 and
- An increase in average cost per employee due to normal salary revisions .

Other expenses:-
(₹ in Crores)

Particulars	Year Ended June 30			
	2014	%	2013	%
Rent	358	1.1	328	1.3
Power & fuel	242	0.8	229	0.9
Travel and conveyance	1,402	4.3	1,137	4.4
Outsourcing cost	4,207	13.1	2,842	11.1
Communication costs	314	1.0	285	1.1
Recruitment training & development	181	0.6	109	0.4
Exchange differences	44	0.1	-	-
Others	1,425	4.4	1,456	5.8
Total	8,173	25.4	6,386	25.0

Other expenses as a percentage of revenue have increased from 25.0% in fiscal 2013 to 25.4 % in fiscal 2014, on account of increase in outsourcing cost.

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

These costs increased to ₹4,207 crores in fiscal 2014 from ₹2,842 crores in fiscal 2013. The increase is mainly on account of :

- Strengthening of USD, GBP, EURO and other currencies against INR resulting in increase in costs incurred outside India.
- Increase in outsourcing activities in line with growth in revenues.

Profit before Finance cost, Other Income & Tax

The Group's operating profit has increased to ₹7,355 crores in fiscal 2014 from ₹5,025 crores in 2013, an increase of 46.4%.

Other Income

The details of Other Income are as follows:

(₹ in Crores)

Particulars	Year Ended June 30	
	2014	2013
Interest income	545	213
Dividend from investments	-	24
Profit on sale of current investments	58	16
Profit on sale of long term investment in Joint venture	-	27
Exchange differences	-	45
Profit on sale of fixed assets	48	-
Others	26	26
Total	677	351

Interest income increased from ₹213 crores in fiscal 2013 to ₹545 crores in fiscal 2014, due to the increase in the pool of treasury investments resulting from incremental cash flow.

Exchange differences

The Group derives over 95% of its revenues in foreign currencies while over 34% of its costs are incurred in INR. This exposes the Group to risk of adverse variation in foreign currency exchange rates.

Exchange rates for major currencies with respect to INR are given below:-

Average Rate	USD	GBP	EURO	AUD
For the year ended June 30,2014	61.53	100.47	83.69	56.24
For the year ended June 30,2013	54.89	85.98	71.14	56.06
Depreciation/(appreciation) (%)	12.1%	16.8%	17.7%	0.3%
Period Ended	USD	GBP	EURO	AUD
As at June 30,2014	60.19	102.62	82.20	56.54
As at June 30,2013	59.39	90.51	77.63	54.80
Depreciation/ (appreciation) (%)	1.3%	13.4%	5.9%	3.2%

The Group uses foreign exchange forward contracts and options to mitigate the risk of movements in foreign exchange rates associated with receivables and forecast transactions in certain foreign currencies. During the current fiscal year, the Group had an exchange loss of ₹44 crores compared to a gain of ₹45 crores during the previous fiscal year. These exchange differences are on account of forward covers being marked to market and restatement of foreign currency assets and liabilities.

The Group follows cash flow hedge accounting in respect of forward covers and options to hedge the foreign exchange risks related to the forecast revenues. Exchange gain (loss) arising on those forward covers where cash flow hedge accounting is followed and the hedged transaction has occurred during the year, has been included under 'revenue' and changes in the fair value of derivatives (net of tax) that are designated and effective as hedges of future cash flows as on the balance sheet date are recognized directly in the hedging reserve account under 'Shareholders Funds'. Total unrealized exchange loss (net of tax) recognized in hedging reserve as at 30 June, 2014 is ₹210 crores as compared to a loss of ₹489 crores as at 30 June, 2013.

TAXATION

The tax expense for 2014 was ₹1,410 crores compared to ₹1,226 crores in 2013. Tax expense as a percentage of profit before tax has reduced from 23.3% in the prior year to 17.8% in fiscal 2014.

Tax expense as a percentage of profit before tax has reduced mainly on account of:

- Increase in the share of profit arising in tax exempt SEZ locations in India.
- Write off of Minimum Alternate Tax (MAT) credit of ₹70 crores during the previous year.

FINANCIAL POSITION

Share capital:-

Authorized Share Capital of ₹150 crores consists of 750,000,000 equity shares of ₹2 each, ₹140.0 crores is paid up as at the period end. During the year, employees exercised 736,100, 1,207,944 and 1,162,480 equity shares under the employee's stock options plans 1999, 2000 and 2004 respectively. Accordingly, issued, subscribed and paid up capital increased by 3,106,524 equity shares and share capital increased by ₹0.63 crores during the year.

Reserves and Surplus:-

Consolidated reserves and surplus of the Group stood at ₹19,402 crores as at 30 June 2014 (earlier year ₹13,020 crores).

Borrowings:-

The Company has outstanding borrowings of ₹1,018 crores as at 30 June 2014 (earlier year ₹1,044 crores). Borrowings include 8.80% secured redeemable non-convertible debentures of ₹500 crores (earlier year ₹500 crores) which are redeemable on September 10, 2014.

Fixed Assets:-

The Group has added of ₹1,108 crores during 2014 to the gross block of fixed assets which mainly comprises computers, software, office equipments and investment in facilities. Gross block of fixed assets as at the end of fiscal 2014 stood at ₹11,374 crores and capital work - in - progress stood at ₹531 crores (earlier year ₹10,195 crores and ₹494 crores respectively).

The Group is in the process of developing facilities in its campuses at NOIDA, Chennai, Bangalore and Manesar. These campuses are spread over a combined area of 133 acres. 43,673 seats have already become operational at these campuses and 25,939 seats are under development. All these campuses, excluding Manesar, are approved SEZ locations.

During the year, the Group has sold a building at a gross consideration of ₹55 crores and accordingly have recognized a gain of ₹47 crores (earlier year ₹NIL).

Treasury Investments:-

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

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

(₹ in crores)		
Particulars	2014	2013
Debt Mutual Funds	394	583
Bonds	212	94
Fixed Deposits with Banks	7,780	2,856
Inter corporate deposits with HDFC Limited.	571	742
Total	8,957	4,275

Current Liabilities:-

Current liabilities have increased by ₹1,768 crores (₹7,474 crores in fiscal 2013 to ₹9,241 crores in fiscal 2014); the increase is mainly on account of:-

- Increase in liability by ₹946 crores related to supplier credit (₹1,600 crores in fiscal 2014 and ₹654 crores in fiscal 2013)
- Increase in current maturities of long term debt by ₹492 crores, mainly due to 8.80% secured redeemable debentures of ₹500 crores redeemable in September 2014, classified as current maturities of long term loan from long term loans.
- Increase in liability for expenses by ₹343 crores (₹2,118 crores in fiscal 2014 and ₹1,776 crores in fiscal 2013)
- Advance for sale of building ₹180 crores received in fiscal 2014.
- Increase in Accounts Payable by ₹67 crores (₹468 crores in fiscal 2014 and ₹401 crores in fiscal 2013)

Current Assets:-

Current assets, excluding treasury investments, and cash and bank balances increased by ₹1,658 crores (₹7,687 crores in fiscal 2013 to ₹9,345 crores in fiscal 2014); the increase is mainly on account of increase in trade receivables by ₹1,186 crores and unbilled receivables by ₹318 crores.

CASH FLOWS

A summary of the cash flow statement is given below :

(₹ in crores)		
	2014	2013
Cash and cash equivalents at the beginning of the year	721	677
Net cash generated from operating activities	6,456	4,492
Net cash flows used in investing activities	(4,840)	(2,354)
Net cash flows used in financing activities	(1,308)	(2,086)
Effect of exchange differences on cash and cash equivalents held in foreign Currency	(2)	(8)
Cash and cash equivalents at the end of the period	1,027	721

Cash flow from operations

(₹ in crores)		
	2014	2013
Operating profit before working capital changes	8,146	5,905
Effect of working capital changes	(244)	(149)
Cash generated from operations	7,902	5,756
Tax payments made	(1,445)	(1,264)
Net cash generated from operating activities	6,457	4,492

Backed by higher profitability and better working capital management, cash flow from operating activities increased by 43.76% from ₹4,492 crores in fiscal 2013 to ₹6,457 crores in fiscal 2014.

Cash flow from investing activities

(₹ in crores)		
	2014	2013
Purchase of fixed assets (net)	(479)	(617)
Sale / (purchase of investments)	245	(662)
Proceeds from sale of stake in Joint Venture	-	66
Proceeds from sale of business	-	197
Redemption / maturity of deposits (net) with banks and corporation having maturity over three months	(4,923)	(1,484)
Interest and dividend income	501	199
Taxes paid	(184)	(53)
Net cash used in investing activities	(4,840)	(2,354)

In fiscal 2014 the Group used ₹4,840 crores for investing activities (₹2,354 crores in fiscal 2013). The significant items of investing activities are:-

- Fixed deposits with banks (net) with maturities greater than 3 months of ₹4,923 crores have been invested in fiscal 2014 (₹1,484 crores in fiscal 2013).
- Interest on deposits and dividends on investment in mutual funds received in fiscal 2014 of ₹501 crores (₹199 crores in fiscal 2013).

Cash flow from financing activities

(₹ in crores)

	2014	2013
Proceeds from issue of share capital	34	34
Repayment of debentures	-	(330)
Dividend paid (including dividend distribution tax)	(1,303)	(808)
Proceeds from borrowings (net)	51	(898)
Interest paid	(54)	(75)
Principal payment for finance lease obligations	(36)	(9)
Net cash used in financing activities	(1,308)	(2,086)

In fiscal 2014 the Group used ₹1,308 crores in financing activities (₹2,086 crores in fiscal 2013). The significant items of investing activities are:-

- Payment of dividends including taxes of ₹1,303 crores (₹808 crores in fiscal 2013).
- Proceeds from borrowings (net) of ₹51 crores in fiscal 2014 (Repayment of borrowing including debentures of ₹1,228 crores in fiscal 2013).

Standalone results of HCL Technologies Limited:

The Consolidated Financial Statements bring out comprehensively the performance of the Group and are more relevant for understanding the Group's performance.

The discussion in the paragraphs which follow should be read in conjunction with the financial statements and related notes relevant to the standalone results of HCL Technologies Limited (herein referred to as "HCL" or "the Company") for the year ended 30 June 2014.

RESULTS OF OPERATIONS (STANDALONE)

(₹ in Crores)

Particulars	Year Ended June 30				Growth
	2014	%	2013	%	
Revenue from operations	16,497	100.0	12,518	100.0	31.8
Total Revenues	16,497	100.0	12,518	100.0	31.8
Cost of materials	410	2.5	259	2.1	58.0
Employee benefit expenses	5,124	31.1	4,629	37.0	10.7
Other expenses	3,652	22.1	3,039	24.3	20.2
Depreciation and amortization expense	491	3.0	442	3.4	11.0
Total Expenditure	9,677	58.7	8,369	66.8	15.6
Profit before finance cost, other income & tax	6,820	41.3	4,149	33.2	64.4
Finance costs	82	0.5	76	0.6	6.8
Other income	659	4.0	378	3.0	74.2
Profit before tax	7,397	44.8	4,451	35.6	66.2
Provision for tax	1,413	8.5	840	6.7	68.2
Profit for the year before impact of scheme of arrangement relating to earlier period	5,984	36.3	3,611	28.9	65.7
Impact of scheme of arrangement relating to earlier period	-	-	94	0.7	-
Profit after tax	5,984	36.3	3,705	29.6	61.6

FISCAL 2014 COMPARED TO FISCAL 2013

Revenues:-

Revenues during fiscal 2014 have grown by 31.8 % compared to fiscal 2013.

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

Segment wise details are given below:

(₹ in Crores)

Particulars	Year Ended June 30				Growth
	2014	%	2013	%	
Software services	10,143	61.5	8,269	66.1	22.7
IT Infrastructure services	5,478	33.2	3,549	28.3	54.4
Business Process Outsourcing services	876	5.3	700	5.6	25.3
Total Revenue	16,497		12,518		31.8

Employee benefit expense:-

(₹ in Crores)

Particulars	Year Ended June 30			
	2014	%	2013	%
Salaries, wages and bonus	4,861	29.5	4,407	35.3
Contribution to provident fund and other funds	194	1.2	166	1.3
Staff welfare expenses	38	0.2	41	0.3
Employee stock compensation expense	31	0.2	15	0.1
Total	5,124	31.1	4,629	37.0

Employee benefit expenses have reduced from 37.0% of revenue in fiscal 2013 to 31.1% in fiscal 2014 driven by improved utilization of billable manpower and strengthening of USD, GBP, EURO and other currencies against INR.

In absolute amounts, employee benefit expenses have increased to ₹5,124 crores in 2014 from ₹4,629 crores in 2013, an increase of 10.7%. The increase is primarily on account of :

- Increase in number of employees during the year from a total of 69,357 at the end of fiscal 2013 to 73,528 at the end of fiscal 2014.
- An increase in average cost per employee due to normal salary revisions.

Other expenses:-

(₹ in Crores)

Particulars	Year Ended June 30			
	2014	%	2013	%
Rent	207	1.3	205	1.6
Power & fuel	205	1.2	201	1.6
Travel and conveyance	700	4.2	619	4.9
Communication costs	118	0.7	109	0.9
Recruitment training & development	76	0.5	56	0.4
Exchange differences	12	0.1	-	-
Outsourcing cost	1,619	9.8	1022	8.2
Others	715	4.3	827	6.6
Total	3,652	22.1	3,039	24.3

Other expenses as a percentage of revenue have reduced from 24.3% in fiscal 2013 to 22.1% in fiscal 2014.

In absolute amounts, other expenses have increased to ₹3,652 crores in 2014 from ₹3,039 crores in 2013, an increase of 20.2%, mainly caused by:

- Strengthening of USD against INR resulting in increase in costs incurred outside India.
- Increase in outsourcing activities in line with growth in revenues.

Profit before Interest, Other Income & Tax:-

The Company's operating profit has increased to ₹6,820 crores in fiscal 2014 from ₹4,149 crores in 2013, an increase of 64.4%.

Other Income:-

The details of other income are as follows:-

Particulars	Year Ended June 30	
	2014	2013
Interest income	533	181
Dividend from investments	-	21
Profit on sale of current investments	50	16
Profit on sale of long term investment in Joint venture	-	56
Exchange differences	-	60
Others	76	45
Total	659	379

Interest income increased from ₹181 crores in fiscal 2013 to ₹533 crores in fiscal 2014 due to increase in the pool of treasury investments resulting from incremental cash flow.

The Company derives almost the entire revenues in foreign currencies while almost all the costs are incurred in INR. This exposes the Company to risk of adverse variations in foreign currency exchange rates. The Company uses foreign exchange forward contracts and options to mitigate the risk of movements in foreign exchange rates associated with receivables and forecast transactions in certain foreign currencies. During the current fiscal year the Company had an exchange loss of ₹12 crores compared to a gain of ₹60 crores in the previous year. These exchange gains are on account of forward covers marked to market and restatement of foreign currency assets and liabilities.

The Company follows cash flow hedge accounting in respect of forward covers and options taken to hedge the foreign exchange risks related to the forecast revenues. Exchange gain (loss) arising on those forward covers where cash flow hedge accounting is followed and the hedged transaction has occurred during the year, has been included under 'revenue' and changes in the fair value of derivatives (net of tax) that are designated and effective as hedges of future cash flows as on the balance sheet date are recognized directly in the hedging reserve account under 'shareholders funds'. Total unrealized exchange loss (net of tax) recognized in hedging reserve as at 30 June, 2014 is ₹210 crores as compared to ₹489 crores as at 30 June, 2013.

Taxation:-

The net tax expense for 2014 was ₹1,413 crores compared to ₹840 crores in 2013. Tax expense as a % of profit before tax is 19.1% for fiscal 2014 as compared to 18.9% in fiscal 2013.

FINANCIAL POSITION

Borrowings:-

The Company has outstanding borrowings of ₹569 crores as at 30 June 2014 consisting of:-

- 8.80% Secured redeemable non-convertible debentures of ₹10 lacs each for ₹500 crores (earlier year ₹500 crores) redeemable on 10 September, 2014.

Fixed Assets:-

The Company has made additions of ₹1000 crores during 2014 in the gross block of fixed assets which mainly comprises computers, software, office equipments and investment in facilities. Gross block of fixed assets as at the end of fiscal 2014 stood at ₹4,921 crores and capital work-in-progress stood at ₹518 crores (earlier year ₹4,146 crores and ₹488 crores respectively).

Treasury Investments:-

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

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

Particulars	Year Ended June 30	
	2014	2013
Debt Mutual Funds	344	402
Bonds	212	94
Fixed Deposits with Banks	7,671	2,653
Inter corporate deposits with HDFC Limited	564	681
Total	8,791	3,830

CASH FLOWS

Cash Flows from Operating Activities:-

Cash generated from operations provides the major source of funds for the growth of the business. Net cash provided by operating activities was ₹6,147 crores and ₹4,170 crores in fiscal 2014 and 2013 respectively.

Cash Flows from Investing Activities:-

In fiscal 2014, an amount of ₹605 crores was invested in fixed assets.

Cash Flows from Financing Activities:-

Cash flows from financing activities in the year showed an outflow of ₹1,398 crores against an outflow of ₹1,175 crores in 2013. These amounts include payments of final and interim dividends (including corporate dividend tax) amounting to ₹1,303 crores (earlier year ₹808 crores).

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have immense pleasure in presenting this **Twenty Second Annual Report** together with the Audited Accounts for the year ended June 30, 2014.

FINANCIAL RESULTS

The financial results of your Company prepared for the financial year ended June 30, 2014 are summarized as under:

(₹ in crores)

	Consolidated		Standalone	
	2014	2013	2014	2013
Total Income	32,821.06	25,932.17	17,156.49	12,896.66
Total Expenditure	24,903.73	20,662.28	9,758.83	8,445.46
Profit before tax	7,917.33	5,269.89	7,397.66	4,451.20
Provision for tax	(1,409.57)	(1,225.31)	(1,413.04)	(840.02)
Share of profit (loss) of associates	20.06	(0.21)	-	-
Share of profit of minority interest	(18.31)	(4.28)	-	-
Impact of scheme of amalgamation relating to earlier period	-	-	-	93.54
Profit for the period	6,509.51	4,040.09	5,984.62	3,704.72
Balance in Statement of Profit and Loss brought forward	8,305.19	5,390.28	6,597.12	3,185.77
Transfer from debenture redemption reserve due to redemption of debentures	-	330.00	-	330.00
Surplus acquired under the scheme of amalgamation	-	-	-	831.81
Amount available for appropriation	14,814.70	9,760.37	12,581.74	8,052.30
Appropriations				
Dividend and Corporate dividend tax	813.66	975.18	813.66	975.18
Transfer to general reserve	600.00	380.00	600.00	380.00
Transfer to debenture redemption reserve	100.00	100.00	100.00	100.00
Balance carried forward to the balance sheet	13,301.04	8,305.19	11,068.08	6,597.12

COMPANY'S PERFORMANCE OVERVIEW

On a standalone basis, the Company achieved revenue of ₹17,156.49 crores in the financial year 2013-14 as compared to ₹12,896.66 crores in the financial year 2012-13 registering a growth of 33.03% and the profit for the financial year 2013-14 is ₹5,984.62 crores in comparison to ₹3,704.72 crores in financial year 2012-13 registering a growth of 61.54%.

On a consolidated basis, the Company achieved revenue of ₹32,821.06 crores in the financial year 2013-14 as compared to ₹25,932.17 crores in the financial year 2012-13 registering a growth of 26.57% and the profit for the financial year 2013-14 is ₹6,509.51 crores in comparison to ₹4,040.09 crores in financial year 2012-13 registering a growth of 61.12%.

DIVIDEND

During the year under review, your directors had declared and paid three interim dividends as per the details given hereunder:

Sl. No.	Interim dividend paid during the year ended June 30, 2014	Rate of dividend per share (face value of ₹2 each)	Amount of dividend paid	Dividend Distribution tax paid by the Company	Total Outflow
			(₹ in crores)		
1.	1 st Interim Dividend	₹2	139.66	23.73	163.39
2.	2 nd Interim Dividend	₹4	279.63	41.92	321.55
3.	3 rd Interim Dividend	₹4	279.79	47.55	327.34

The total amount of dividend paid for the year ended June 30, 2014 was ₹699.08 crores. Dividend distribution tax paid by the Company for the year amounted to ₹113.2 crores.

The Board of Directors in its meeting held on July 29-31, 2014 has declared an interim dividend of ₹12 per equity share of face value of ₹2 each for the financial year 2014-15. The Directors did not recommend final dividend for the year ended June 30, 2014.

TRANSFER TO RESERVES

For the year ended June 30, 2014, on a standalone basis, your Company has transferred ₹600 crores to the General Reserve Account. An amount of ₹100 crores have been transferred to the Debenture Redemption Reserve Account. As on June 30, 2014, the balance available in the Debenture Redemption Reserve Account was ₹500 crores for redemption of the outstanding debentures repayable on September 10, 2014.

SUBSIDIARIES

During the year under review, the Company has incorporated the following step down subsidiaries:-

Sl. No.	Name of the Subsidiary	Place of Incorporation
1.	HCL Technologies UK Limited	United Kingdom
2.	HCL Technologies B.V.	Netherlands
3.	HCL Technologies Germany GmbH	Germany
4.	HCL (Ireland) Information Systems Limited	Ireland
5.	HCL Technologies Belgium BVBA	Belgium
6.	HCL Technologies Sweden AB	Sweden
7.	HCL Technologies Finland Oy.	Finland

The Company has a Joint Venture namely State Street HCL Holdings (UK) Limited with State Street International Holdings, USA in which the Company holds 49%. The JV entity has formed a subsidiary named Street HCL Services (Philippines) Inc. in Philippines during the year.

The Company has 62 subsidiaries as on June 30, 2014. There has been no material change in the nature of the business of the subsidiaries.

CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to the circular no. 2/2011 dated February 8, 2011 issued by the Ministry of Corporate Affairs, a general exemption has been granted to the companies from annexing the individual accounts of all the subsidiaries along with the audited financial statements of the Company while publishing the Annual Report subject to certain conditions as mentioned in the said circular. Your Company meets all the conditions stated in the aforesaid circular and therefore the standalone financial statements of each subsidiary are not annexed with the Annual Report for the year ended June 30, 2014.

The audited consolidated financial statements of the Company and its subsidiaries are attached in the Annual Report. A statement containing brief financial details of all the subsidiaries of the Company for the year ended June 30, 2014 forms part of the Annual Report.

The Company would provide the annual accounts of the subsidiaries and the related detailed information to the shareholders of the Company on specific request made to it in this regard by the shareholders.

CHANGES IN CAPITAL STRUCTURE

Issue of shares under Employees Stock Option Plans

During the year ended June 30, 2014, the Company allotted 31,06,524 equity shares of ₹2 each fully paid up under its Employees Stock Option Plans. This constitutes 0.44% of the total paid up share capital of the Company as on June 30, 2014. As a result of this, the issued, subscribed and paid-up share capital of the Company has increased from ₹139,37,39,714 to ₹139,99,52,762 during the year ended June 30, 2014.

DEBENTURES

During the financial year ended June 30, 2014, the Company has not redeemed any debentures. The details of the debentures issued, redeemed and outstanding are given hereunder:

Date of Issue	Amount (₹ in crores)	Coupon Rate (Payable quarterly)	Maturity Date	Redeemed on
August 25, 2009	170	7.55%	August 25, 2011	August 25, 2011
August 25, 2009	330	8.20%	August 25, 2012	August 25, 2012
September 10, 2009	500	8.80%	September 10, 2014	-

A debenture trust deed in favor of IDBI Trusteeship Services Limited for the aforesaid issues was executed. The debentures are secured by way of mortgage(s) and / or charges on the specific movable / immovable properties of the Company whether existing / future. The said debentures have been listed on Wholesale Debt Segment of the National Stock Exchange of India Limited. The Company has paid the interest due on the aforesaid debentures on time and nothing is payable as on date.

CORPORATE GOVERNANCE AND MANAGEMENT'S DISCUSSION AND ANALYSIS

As per clause 49 of the Listing Agreement entered into with the Stock Exchanges, Corporate Governance Report titled 'Corporate Governance Report 2013-14' alongwith the Statutory Auditor's certificate thereon and Management's Discussion and Analysis are attached and form part of this Report.

BUSINESS RESPONSIBILITY REPORT

The Securities and Exchange Board of India ("SEBI") vide its circular dated August 13, 2012 has mandated inclusion of Business Responsibility Report ("BRR") as part of the Annual Report for top 100 listed companies. Pursuant to these provisions if a listed Company publishes the sustainability report based on internationally accepted reporting framework along with a mapping of the BRR as stated in the SEBI Circular, it would be treated as sufficient compliance of the aforesaid circular.

For the financial year 2013-14, as the Company has prepared its sustainability report based on the internationally accepted reporting framework and the principles stated under the aforesaid SEBI circular have been mapped with the sustainability report, no separate report has been prepared by the Company. The Sustainability Report as well as mapping as stated above is available on our website at <http://www.hcltech.com/socially-responsible-business>.

INSIDER TRADING REGULATIONS

Based on the requirements under SEBI (Prohibition of Insider Trading) Regulations, 2011, as amended from time to time, the code of conduct for prevention of insider trading and the code for corporate disclosures are in force.

DIRECTORS

Mr. Vineet Nayar (DIN 02007846) and Mr. Subroto Bhattacharya (DIN 00009524), Directors of the Company who were liable to retire by rotation in the 21st Annual General Meeting of the Company held on December 27, 2013 had expressed their unwillingness to seek re-appointment as Directors of the Company. Accordingly, Mr. Nayar and Mr. Bhattacharya were not re-appointed as Directors and it was resolved not to fill the vacancies so caused.

As per the provisions of Section 152 (6) of the Companies Act, 2013 one third of such of the directors for the time being as are liable to retire by rotation, shall retire by rotation at the ensuing Annual General Meeting and shall be considered for re-appointment.

AUDITORS

The Statutory Auditors, M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, hold office till the conclusion of the ensuing Annual General Meeting and they have confirmed their eligibility and willingness to be re-appointed. The Company has received a certificate from the Statutory Auditors to the effect that their appointment, if made, would be within the limits prescribed under section 141 of the Companies Act, 2013 and that they are not disqualified for such appointment within the meaning of the said section. Pursuant to the provisions of section 139 of the Companies Act, 2013 and the rules framed thereunder, it is proposed to appoint M/s. S.R. Batliboi & Co. LLP, Chartered Accountants as the Statutory Auditors for a period of five years subject to ratification of their appointment by members at every Annual General Meeting.

TRANSFER OF UNPAID AND UNCLAIMED AMOUNTS TO IEPF

Pursuant to the provisions of section 205A(5) of the Companies Act, 1956, the dividend amounts which have remain unpaid or unclaimed for a period of seven years from the date of declaration have been transferred by the Company to the Investor Education and Protection Fund ("IEPF") established by the Central Government pursuant to section 205C of the said Act. The details of unpaid/unclaimed dividend that will be transferred to IEPF A/c in subsequent years are given in the corporate governance section of the Annual Report.

FIXED DEPOSITS

Your Company has not accepted any fixed deposits.

AWARDS AND RECOGNITIONS

As your Company pursues excellence relentlessly, your Company is delighted to receive phenomenal share of recognitions and awards

this year, not just from the media, but also from analysts, governing bodies, academic institutions, partners and even customers. Some of the key accolades received during the year include:

- Prestigious CNBC-TV 18's India Business Leader Award for 'Outstanding Company of the Year - Penultimate award in corporate excellence'.
- PHD Chamber Good Corporate Citizen Award 2013 by PHD Chamber of Commerce and Industry.
- Mr. Anant Gupta, President & CEO, HCL Technologies has received the '2014 Women's Empowerment Principles (WEPs) Leadership Award - 7 Principles' for developing and implementing a comprehensive internal and external strategy based on the WEPs' seven principles for advancing and empowering women in the workplace, marketplace and community.
- 'Best Governed Company Award' by Asian Centre for Corporate Governance and Sustainability at the Asia Business Responsibility Summit 2014. This award is an acclaimed recognition for corporate practicing best corporate governance norms in both letter and spirit.
- 'Diamond and Gold Awards for marketing excellence' in November 2013 by IT Services Marketing Association (ITSMA), the leading marketing association for technology, communications and professional service providers.
- 'CRY Best Employee Engagement Award' for the most impactful employee engagement program to address Child Rights issue for its "Power of One" initiative.
- Recognition as one of Britain's Top Employer for the eighth consecutive year for its employee friendly HR policies and practices.
- Named as a leader in innovation in the Nordic region. This accolade comes as part of a 2013 Nordic IT Outsourcing Service Provider Satisfaction and Performance Survey by KPMG.
- For the fourth consecutive year, HCL has made it to the prestigious annual '2013 Asia's fab 50' list.

SUSTAINABILITY

Responsible corporate citizenship has been a part of our core values and sustainability has been the driving factor in many of our initiatives. Today, the sustainability office runs a multi-layered corporate program to drive our sustainability vision. We partner with multiple stakeholders to form an inclusive working group to create policies, processes and other organizational measures. We believe that responsible investments in sustainability will generate long term value for all our stakeholders by improving competitiveness and reducing risk.

In our everyday practice as a 'Responsible Business' we focus Value-centricity and Trust through transparency. The initiative taken by the Company on sustainability are given in detail in the sustainability report for the year 2013-14 which is being hosted on the website of the Company.

ORGANIZATION'S EFFECTIVENESS

The Company sees the changing landscape and market conditions as an opportunity to build leadership in the information technology

services space, through creation of robust business and people models to enhance its share of the customer wallet.

The Organization Effectiveness function is currently engaged in creating mature people models to leverage human capabilities, thereby generating higher value at the customer-employee interface, which would propel the Company into the next phase of growth globally. It includes Program First, Smart Survey and Talent Management:

Program First

Your Company focuses constantly on reassessing, refreshing and reinventing the organizational and individual capabilities so that it continues to offer a distinctive experience to its employees as well as to its customers. Your Company is on an accelerated journey to enhance the employment experience of its people and create new benchmarks.

In the same light Program FIRST (Future-ready Initiatives for Results and Smart Transformation) was initiated. Program First introduced practices that enable, empower and engage the Company ideapreneurs to drive organization to success in the future. It introduces enhancements to the career, performance, reward, talent, and learning management practices within the organization. Successful implementation and follow through of Program FIRST resulted in tighter coupling of Career, Performance, Talent and Learning Processes around a role based organization.

Smart Survey

Smart Survey is a process of collating effective, constructive and integrated feedback from the employees in an organization that is crucial to the ongoing development and growth of individuals as well as the organization. The tool is built around the 3 key pillars - self, my managers and work environment.

Talent Management

Your Company has always believed its people to be the source of value and have followed formal talent appreciation processes geared to ensure that it has the capability, both capacity and ability, to do what it has committed to do in the immediate and more medium term future. Build / Buy / Secure / Reward / Progress / Invest decisions were taken as a result of this effort. It has also used the occasion to move leaders from one service line to another.

The High Potential employees identified in Talent Reviews have been invited to participate in a rigorous development program for 6-18 months internally called TOPGUN, now in its 5th edition. The program consists of extensive action learning, coaching and self-reflection as well as opportunities to build networks with peers and executives from across the organization. This program is already generating a healthy pipeline of leadership for the organization.

Your Company instituted the CEO club to recognize individuals who had made significant contribution to the success of the Company in a financial year. 78 Middle managers across the world and across functions were chosen for the FY-12-13 performance contribution and received a "luxury car" as a mark of recognition of their achievements. The O-infinity awards, now an annual feature recognized the top performers from the entry to manager career levels across the world through various events anchored by our

leadership thanking employees and their families for making the Company successful.

IDEAPRENEURSHIP

Building the Ideapreneurship Culture

Born in 2005 the Employee First Customer Second (EFCS) approach questioned the traditional top down approach and brought the spotlight back on those who created value for the organization - the employee as a catalyst of change. The way any employee creates value centrality is through the power of innovative thinking. EFCS brought the employees' belief in change, transformation and value centrality which led them to exercise their license to ideate and take advantage of the freedom to decide and act. As a result of it, the culture of ideapreneurship emerged that supports grass-root programs which helps in value creation. Your Company has built programs and platforms that capture small but powerful ideas or grassroots innovations of employees. The continued business growth of your Company, even during the dynamic market situations, is resultant of its culture - ideapreneurship, that empowered its employees and gave them the freedom to ideate, that returned value to customers which were beyond what was the contractual ask.

Reward and Recognition

Your Company recognizes teams and individuals who have contributed to building value for clients through the power of simple ideas by 'Ideapreneur Awards'. Simultaneously, employees are co-rewarded by clients on their ideas which are rated by clients and implemented resulting in hundreds of dollars in savings for clients.

Developing Leader Involvement

Your Company has successfully brought together top leaders to contribute to the ideation process by introducing 'dollar impact of ideation on revenue' as a key account performance measure. This has led to ideapreneurs being in focus in most internal or client reviews, thus creating leadership momentum and sponsorship to sustain the culture of ideapreneurship.

Ideapreneurship has been featured as a case study in the Cambridge University Students' Union (CUSU) publication titled Strategies for Success.

RELATIONSHIP BEYOND THE CONTRACT

Your Company's approach to engagement can be best described by the word 'Relationship'. When your Company signs a contract, it commits to much more than just the Statement of Work because of its belief that an engagement cannot be scripted in any contract to make it a truly worthwhile. Your Company believes in a simple thing called values. A contract can safeguard all that is within the span of control but in today's uncertain world where business and macro environment are seeing new challenges and undergoing changes every day, your Company believes that its value of Trust, Transparency and Flexibility fuelled by its philosophy of 'Employees First' will ensure a continued defense of its customers' interests.

Your Company does not use contracts to save its skin. Your Company believes in taking every relationship beyond the contract by putting its own skin in the game through collaboration, applied innovation and new generation partnership models that put its customers' interests above all. 'Relationship Beyond the Contract' is a spirit that is alive in its Ideapreneurs who are passionate about only one

thing that is making the customers' business more efficient through everyday innovation.

TALENT DEVELOPMENT

Learning and Leadership are the most sustainable sources of competitive advantage in our industry, today. As the war for talent continues, leveraging and optimizing learning for stronger performance is the critical need of the time. In the knowledge based economy, creating a learning environment helps address talent gaps, generate ideas, and ultimately leads to an engaged workforce.

Talent Development is the learning Ecosystem of the Company that actively supports holistic employee development through a combination of Technical, Behavioral, Leadership and specialized Domain training. These learning interventions touch the employee from day one in the Company and continue through the employees' tenure to offer holistic learning programs. Further, the programs are designed on blended delivery mode, i.e., classroom, webinars, e-learning, podcasting, e-books and projects, to create comprehensive learning opportunities for a global workforce.

There are over 25+ programs for behavioral training and a long list of technical training programs available across these Academies engaging employees from freshers right up to senior leadership. These are designed to impact key business outcomes and supported by content that is, often, created in partnership with world class training organizations. The Company's learning approach is unique, as it connects to the career road map of employees by allowing them to take charge of their individual learning needs and sharpen the desired competencies in their current and future roles.

Talent Development is also deeply engaged directly with customers to understand their training needs for teams that work on the project - to provide in time training solutions, which has been highly applauded by many of your valued clients.

CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Disclosures of particulars as required by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 to the extent applicable to your Company, are set out in Annexure 1 to this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

A statement of responsibility of the Directors relating to compliance with the financial accounting and reporting requirements in respect of the financial statements, as specified under section 217 (2AA) of the Companies Act, 1956, is annexed as Annexure 2 to this Report.

STOCK OPTIONS PLANS

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

The details of these plans have been annexed as Annexure 3 to this Report.

DISCLOSURES UNDER SECTION 217 OF THE COMPANIES ACT, 1956

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

As required under section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of employees are set out in Annexure 4 to this Report.

ACKNOWLEDGEMENTS

The Board wishes to place on record its appreciation to the contribution made by the employees of the Company and its subsidiaries during the year under review. The Company has achieved impressive growth through the competence, hard work, solidarity, cooperation and support of employees at all levels. Your Directors thank the customers, clients, vendors and other business associates for their continued support in the Company's growth. The Directors also wish to thank the Government Authorities, Financial Institutions and Shareholders for their cooperation and assistance extended to the Company.

For and on behalf of the Board of Directors

Place: Noida (U.P.), India
Date : July 31, 2014

SHIV NADAR
Chairman and Chief Strategy Officer

ANNEXURE 1 TO THE DIRECTORS' REPORT

Particulars pursuant to the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

a) Conservation of Energy

Green IT

Keeping at par with the paradigm shift in the industry, our initiatives across Green IT have not just created a dramatic shift in our ways of working but have also enhanced our environment conservation vision.

Over the last few years, from creating decentralized infrastructure and management, consolidating services and promoting e-waste disposal, your Company has worked towards enabling its growth, yet not compromising on security.

The Company continues its efforts towards Green IT and is now working on enhancing its vision and launch many more initiatives. From creating world class architectural initiatives like VDI (Virtual Desktop Infrastructure), Cloud, GIS (Global Information System-for our contact center telephony), your Company also believes in enhancing its secure infrastructure to include adoption of Office-365 and Mobile Device Management. Keeping in mind the digitally inclined media, your Company is working to enhance its collaboration initiatives too in the form of Lync and MP-India migration. And as it continues to grow in its journey, the count of recognitions and awards that acknowledge its focused efforts, also seem to grow.

Microsoft Collaboration Award

- The Company's adoption of LYNC 2013 and collaboration tool were awarded the best collaboration tool adoption in the Company and a case study is also published on the Microsoft website, for the same.

CNBC IT Excellence Award 2013

- The Company's Private Cloud was awarded IT Excellence Award for Best Project Implementation in association with CNBC.

SAMs Europe Award 2013

- The Company's SAM (Software Asset Management) Team was awarded 2nd Prize at an event held in Berlin, Germany.

EMC - IDC Award 2013

- RSA Envision implementation in HCL was awarded the EMC-IDC award, on Log Correlation and Next Generation Threat Management.

Building Infrastructure

Building use is responsible for half the consumed energy and half the greenhouse gas production in the world every year.

Your Company ensures that energy saving features are incorporated at the design stage itself to prevent greenhouse gas emissions. The operations of your Company are less energy intensive than industries in the manufacturing sector. However, significant measures are taken to reduce energy consumption:

- Installing reliable meters that provide information about and help control water, heating, gas and electricity usage.
- Designing and selecting the HVAC (heating, ventilation and air conditioning) system and lighting equipment to maximize energy performance.
- Installing energy efficient light fixtures (LEDs, T-5 ballasts, and compact fluorescents).
- Day lighting sensors that can dim and/or turn off lighting if sufficient daylight is present. Occupancy sensors help control lighting in areas where occupancy is more intermittent (like washrooms, storage spaces, janitor rooms, etc.) to ensure lights are not left on unnecessarily.
- Individual control over lighting, heating, cooling and ventilation to maximize comfort, productivity and wellbeing.
- Energy efficient appliances (Energy Star photocopiers, printers, fax machines, computers, etc.) with embedded sleep mode.
- LCD computer screens with dual energy savings - they use 1/3 less energy in operations than CRT monitors and produce less heat, resulting in reduced cooling needs.
- Aerators for water taps for water optimization.
- UPS Downsizing.
- Purchase of green power (Hydro Power) from Third Party through open access.
- Lighting control in basements during day hours.
- Improving energy efficiency of existing Chillers and AHU.
- Floor air balancing for energy optimization.
- Creation of rain water harvesting wells at SEZ-Noida to make use of rain water and treated water from Sewage Treatment Plant (STP).
- Converting STP sludge cakes into compost manure to be used in landscaping.
- Installation of solar lights in open/ landscaping areas at SEZ-Noida.
- EHS (Employees HR Services) department has helped reduce paper consumption by enabling employees to download supporting documents/bills/invoices online while submitting their claims.

- Transport department leverages text messages to employees for cabs and other related updates/information.

Your Company has also initiated energy audits by reputed third party auditors across all major facilities in India which will further drive the process of energy optimization. Green Power Purchase for major facilities, eco-friendly waste management and bio gas generation in Chennai strengthens the commitment to environment excellence.

The initiatives have resulted in reduction in average power consumption per capita per month this year across India.

Carbon Footprint measurement

Your Company has formed a Green Council to address the response to Global Warming. The measurement is being done by using Company's developed Carbon accounting framework, Manage Carbon.

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

This initiative by the Company has earned the recognition by CDP (Carbon Disclosure Project) which is an international climate reporting initiative by WWF (World Wide Fund for Nature). On 7th November 2013, your Company was also recognized registering at the Leadership Index of CDP.

b) Research and Development ("R&D")

(i) Specific areas in which R&D was carried out

Your Company is carrying out R&D:

- on methods to accelerate new software development by creating reusable libraries for complex architecture requirements related to the area of Social, Mobile, Cloud and Analytics.
- on Multi - layered Internet of Things (IoT) reference stack to support product companies and service providers to enable them to accelerate IoT adoption.
- on frameworks to address the challenges faced by enterprises in testing mobile applications on Android, iOS, Win 8 platforms in the areas of distributed testing of devices spread across geographies, concurrent testing of applications on multiple devices and sharing of device resources across teams distributed geographically.
- on framework to automate the testing process for

embedded devices, by creating methods for input simulation and output capturing using reusable libraries or COTS (Commercial-off the shelf) tools to accelerate the test methodology.

- on methods to optimize different lifecycle processes through data analytics using machine learning, natural language processing and other data mining algorithms.

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

Your Company's solutions and frameworks are focused in creating value to customers in specific micro verticals. The direct benefits to the customers include acceleration of new software development with improved quality, quicker time to market, reduced cost, increased quality, cycle times of testing for mobile applications with increased coverage of application functionality and device matrix, improved coverage by simulation, acceleration of product development towards adoption of Internet of Things by Product Companies and increased efficiency of customer business processes. Our solutions like Business Aligned IT will result in enhanced business performance through improved KPIs, visibility, discovered landscape, stability, cost reduction and structured business future planning.

(iii) Future plan of action

Your Company plans the following actions in the future:

- Build requirements in standard format and generate a partial working application from these models and build test cases / test data from these models and automate test generation for these applications that will be relevant for smaller applications / Mobile applications.
- Replicate testing on one device across multiple mobile devices.
- Re-use of test scripts to test applications delivered on multiple channels (Mobile, Browser, Desktop).
- Automation of product level testing using Robotics and Multimedia testing.
- Develop framework to improve productivity and reduce time to market for remediation and recall scenarios.
- Develop framework to improve embedded device security by creating reusable components.
- Improve framework for recall management of medical devices.
- Develop framework for reusable components/ connectivity.
- Work on new use cases such as bug localization, bug prioritization and impact analysis etc. Strengthen current data extraction, transformation and mapping methods, workflow and models.

(iv) Expenditure on R&D for the years ended June 30, 2014 and 2013 are as follows:

(₹ in crores)

Particulars	June 30, 2014	June 30, 2013
Revenue expenditure	152.73	157.92
Capital expenditure	-	-
Total R&D expenditure	152.73	157.92
R&D expenditure as a percentage of revenues	0.93%	1.26%

c) Technology absorption, adaptation and innovation

Your Company's core business demands adoption of emerging technologies to stay ahead of competition. Your Company has made investments in emerging technologies like Social, Mobile, Analytics and Cloud in line with market needs and stays relevant to its customers. Our Digital Systems Integration (DSI) strategy to transform legacy driven traditional organization to a Digitized Corporation has been well received by the market place.

d) Foreign exchange earnings and outgo

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

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

During the year, a substantial portion of the revenue of the Company was derived from the exports. During the year, your Company has set up 7 step down subsidiaries across the globe to enhance its business. The various global offices of the Company are staffed with sales and marketing specialists, who promote and sell services to large international clients.

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

(₹ in crores)

Particulars	June 30, 2014	June 30, 2013
Foreign exchange earnings	14,239.77	11,381.19
Foreign exchange outgo		
- Expenditure in foreign currency	1,419.40	1,131.64
- CIF value of imports	138.25	133.95
- Dividend remitted in foreign currency	191.95	120.06
	1,749.60	1,385.65

For and on behalf of the Board of Directors

Place: Noida (U.P.), India
Date : July 31, 2014

SHIV NADAR
Chairman and Chief Strategy Officer

ANNEXURE 2 TO THE DIRECTORS' REPORT

Directors' Responsibility Statement as required under section 217 (2AA) of the Companies Act, 1956:

- i) The financial statements have been prepared in accordance with the accounting standards issued by the Institute of Chartered Accountants of India and the requirements of the Companies Act, 1956 to the extent applicable to the Company. There have been no material departures from prescribed accounting standards while preparing these financial statements;
- ii) The Board of Directors has selected the accounting policies described in the notes to the accounts, which have been consistently applied, except where otherwise stated. The estimates and judgments relating to the financial statements have been made on a prudent basis, in order that the financial statements reflect in a true and fair manner, the state of affairs of the Company as at June 30, 2014 and the profit of the Company for the year ended on that date;
- iii) The Board of Directors has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The annual accounts have been prepared on the historical cost convention, as a going concern and on the accrual basis.

For and on behalf of the Board of Directors

Place: Noida (U.P.), India
Date : July 31, 2014

SHIV NADAR
Chairman and Chief Strategy Officer

ANNEXURE 3 TO THE DIRECTORS' REPORT

DETAILS ON STOCK OPTION PLANS

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

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

Each option granted under the 1999 Plan, 2000 Plan and 2004 Plan, entitles the holder to four equity shares of the Company at an exercise price, which is approved by the Compensation Committee.

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

Sl. No.	Description	1999 Plan	2000 Plan	2004 Plan
1.	Total number of options granted (gross)	26,600,874	17,747,401	8,424,132
2.	The pricing formula	Market price / internal valuation	Market price	Market price / price determined by Compensation Committee
3.	Number of options vested	17,529,862	10,466,138	4,746,305
4.	Number of options exercised	13,855,937	7,303,665	4,396,163
5.	Total number of shares arising as a result of exercise of options	55,423,748	29,214,660	17,584,652
6.	Number of options lapsed & forfeited	12,619,114	10,233,495	2,299,120
7.	Variation in terms of options	None	None	None
8.	Money realized by exercise of options (₹ in crores)	509.65	423.79	12.19
9.	Total number of options in force as on June 30, 2014	125,823	210,241	1,728,849
10.	Grant to Senior Management			
	Number of Options	1,967,175	254,904	2,987,600
	Vesting Period	110 Months	104 Months	96 Months

The diluted earnings per share were ₹84.51 and ₹52.45 for the fiscal years ended June 30, 2014 and 2013 respectively.

HCL TECHNOLOGIES LIMITED EMPLOYEES TRUST

In April 2001, HCL Technologies Limited Employees Trust ("Trust") was formed for the purpose of acquiring the shares of the Company and thereby providing such shares to the eligible employees and directors of the Company and/or its subsidiaries at any time pursuant to the Stock Option Plans of the Company. The Company would provide this Trust interest free loan(s) from time to time up to a limit of ₹150 crores for this purpose.

The Trust was closed on March 14, 2014. The Trust did not hold any shares on the said date. An amount of ₹6.52 crores was outstanding as loan from the Company for which a provision was created. The said provision was written off by the Company during the year.

ANNEXURE 3 TO THE DIRECTORS' REPORT (Contd.)
Details of Stock Option Plans for the year ended June 30, 2014

Particulars	1999 Plan	2000 Plan	2004 Plan
Total number of options outstanding as on July 1, 2013	324,422	583,255	2,238,201
Number of options granted during the year	-	-	8,000
Pricing formula	Market price / internal valuation	Market price	Market price / price determined by Compensation Committee
Number of options vested during the year	-	-	271,600
Number of options exercised during the year	184,025	301,986	290,620
Total number of shares arising as a result of exercise of options during the year	736,100	1,207,944	1,162,480
Number of options lapsed and forfeited during the year	14,574	71,028	226,732
Variation in terms of options	None	None	None
Money realised by exercise of options during the year (₹ in crores) (includes issued through Trust)	11.76	19.24	0.83
Total number of options in force as on June 30, 2014	125,823	210,241	1,728,849
Employees granted options equal to 5% or more of the total number of options granted during the year	None	None	None
Employees granted options equal to or exceeding 1% of the issued capital during the year	None	None	None
Fair value compensation cost for options granted (₹ in crores)	N.A.	N.A.	2.64
Weighted average exercise price of options granted above market price	N.A.	N.A.	N.A.
Weighted average fair value of options granted above market price	N.A.	N.A.	N.A.
Weighted average exercise price of options granted at market price	N.A.	N.A.	N.A.
Weighted average fair value of options granted at market price	N.A.	N.A.	N.A.
Weighted average exercise price of options granted below market price (₹)	N.A.	N.A.	8.00
Weighted average fair value of options granted below market price (₹)	N.A.	N.A.	3,304.31
Method and significant assumptions used during the year to estimate the fair values of options			
Method	Black schole	Black schole	Black schole
Significant assumptions			
Risk free interest rate	7.80%	7.80%	7.80%
Expected life	upto 56 months	upto 56 months	upto 56 months
Expected volatility	30.80%	30.80%	30.80%
Expected dividend	2.02%	2.02%	2.02%
The price of the underlying options in market at the time of grant (₹)	N.A.	N.A.	N.A.

Pre IPO Details of Stock Option Plan

Particulars	As on June 30, 2014 ESOP 1999 Plan
Number of options granted pre IPO	14,223,832
Pricing formula	Internal valuation
Number of options vested	11,648,957
Number of options exercised	10,234,702
Total number of shares arising as a result of exercise of options	40,938,808
Number of options lapsed	3,989,130
Variation in terms of options	None
Money realised by exercise of options (₹ in crores)	259.41
Total number of options in force as on June 30, 2014	-
Fair value compensation cost for options granted (₹ in crores)	43.96
Weighted average exercise price of options granted (₹)	255.00
Weighted average fair value of options granted (₹)	36.65
Method used to estimate the fair values of options	Black-Scholes Method
Significant assumptions	
Risk free interest rate	10.00%
Expected life	12 to 110 months
Expected volatility	-
Expected dividend	0.10%

ANNEXURE 3 TO THE DIRECTORS' REPORT (Contd.)
Employee Compensation Cost based on fair value of the options

		Year ended 30 June, 2014
		(₹ in crores)
Net income, as reported		5,984.62
Add: Stock-based employee compensation expense included in reported net income		30.92
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards		39.12
Proforma net income		5,976.42
Earnings per share		₹
As reported	- Basic	85.66
	- Diluted	85.55
Adjusted proforma	- Basic	84.51
	- Diluted	84.40
Method and significant assumptions used during the year to estimate the fair values of options		Black-Scholes Method
Significant assumptions		
Dividend yield %		2.02%
Expected life		upto 56 months
Risk free interest rates		7.80%
Volatility		30.80%

Details of options granted to Senior Managerial Personnel of the Company during the year ended June 30, 2014		
Name of the Employee	Date of Grant	No. of Options
Ajit Kumar	9-Aug-13	8,000
		8,000

Details of options granted to employees amounting to 5% or more of the options granted during the year the year ended June 30, 2014	None
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Details of options granted to employees during the year ended June 30, 2014, amounting to 1% or more of the issued capital of the Company at the time of the grant	None
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For and on behalf of the Board of Directors

Place: Noida (U.P.), India
Date : July 31, 2014

SHIV NADAR
Chairman and Chief Strategy Officer

**ANNEXURE 4 TO THE DIRECTORS' REPORT
INFORMATION FOR DIRECTORS' REPORT U/S 217(2A) OF THE COMPANIES ACT, 1956**
A. EMPLOYED FOR FULL FINANCIAL YEAR - 2013-14

Sl. No.	Name	Age (in Yrs.)	Designation	Educational Qualification	Remuneration (in ₹)	Date of Joining	Experience in Yrs.	Previous Employment	Designation held in previous employment	Previous employment held since
1.	Ajay Kumar Davessar	45	Vice President	MBA - Marketing	8,389,314	12.05.2009	18	Capgemini India Pvt. Ltd.	Associate Director	Dec.06
2.	Ajit Krishnakutty Kumar	50	President-Systems Integration & Appln. Delivery	MBA - Marketing	38,408,867	01.07.2013	26	Accenture Services Pvt. Ltd.	Managing Director	Jun.88
3.	Amit Roy	55	Executive Vice President - Taxation	CA	12,120,147	16.07.2007	30	Samsung India Electronics Pvt. Ltd.	Vice President - Taxation	Sep.06
4.	Amitava Sengupta	44	Vice President	M.Tech - Computer Science	6,564,635	26.10.2009	20	Tata Consultancy Services Ltd.	Sr. Consultant / IOU Head	Apr.94
5.	Anand Subbu	46	General Manager	B.Tech	6,842,094	23.03.2009	19	Satyam Computer Services Ltd.	Manager	May.05
6.	Anant Gupta	49	President and Chief Executive Officer	M.Sc. (Engineering)	42,214,089	25.07.2012	26	HCL Comnet Systems & Services Ltd.	President	Nov.93
7.	Anantha Padmanabhan J	45	Operations Director	B.Sc. - Maths	6,736,810	26.04.2007	25	Polaris Software Lab Ltd.	Vice President	Aug.01
8.	Anil Kumar Chanana	56	Chief Financial Officer	CA	30,496,861	01.10.1998	33	HCL Technologies America Inc.	Executive Vice President	Dec.85
9.	Anjan Kumar Mukherjee	39	Vice President	B.Sc. - Computer Science	6,872,433	01.11.1999	18	Asmocom Internet Services	Web Designer & Developer	Dec.97
10.	Anup Dutta	55	Executive Vice President	B.Tech - Electrical, M.Tech - Electrical	9,319,390	01.07.1996	33	HCL Hewlett Packard Ltd.	Senior Manager	Jul.81
11.	Anup Kumar Mondal	47	Deputy General Manager	B.Tech - Metallurgy	6,308,878	22.11.2004	22	Pricewaterhouse Coopers	Consultant	Sep.04
12.	Anupama Bugatha	47	Vice President	MCA	8,551,723	01.08.2011	23	Satyam Computer Services Ltd.	Vice President	Feb.98
13.	Apparao V V	52	Executive Vice President	B.Tech, M.Tech	8,038,861	10.03.2003	30	Ascend Technologies Ltd.	Director/Center Head	Aug.96
14.	Arup Vilhal	36	Operations Director	MBA - Marketing	6,139,593	24.05.2004	13	Polaris Software Lab Ltd.	Consultant	Feb.01
15.	Ashu Kakkar	43	Operations Director - IT Services	Diploma - Electrical	8,718,179	05.09.2005	21	Tata Technologies (India) Ltd.	Technical Consultant	Feb.93
16.	Ashutosh Kaushik	51	Vice President	MBA - Marketing	7,651,369	24.03.1994	28	HCL Comnet Ltd.	Deputy General Manager	Mar.94
17.	Balamurugan Ramasamy	50	Associate Vice President	B.Tech - Electronics	6,408,318	06.08.1986	28	Digital Instruments & Controls Pvt. Ltd.	R & D Engineer	Mar.86
18.	Chandrasekharan Kasinayyan	53	Associate Vice President	M.Sc. (Physics), PGD (Computer Science)	7,474,504	20.12.2007	28	Aztecsoft Ltd.	General Manager	Dec.03
19.	Dakshina Murthy Chunduri	45	Vice President	B.Tech (Hons.) - Computer Science	6,101,554	01.02.1993	23	Softek Pvt. Ltd.	Engineer	Aug.91
20.	Deepak Sachdev	52	Associate Vice President	B.Com	6,250,681	25.07.2003	32	HCL Infosystems Ltd.	Deputy General Manager	Aug.01
21.	Dhamayanthi Narayanan	47	Associate Vice President	MCA	6,695,281	06.11.2000	24	Crescent Engg. College	Senior Lecturer	Oct.94
22.	Dharmender Kapoor	48	Vice President	MCA	8,059,699	21.04.2003	21	Xavient Technologies	Program Manager	Mar.02
23.	Gade Hanumantha Rao	56	President - ERS	B.Tech - Electronics	13,963,640	01.07.1996	33	HCL Hewlett Packard Ltd.	Senior Manager - R & D	Nov.80
24.	Ganesh Raman	43	Associate Vice President	B.Tech - Electronics	7,753,301	28.02.2008	20	Sutherland Global Services Pvt. Ltd.	Director	Dec.01
25.	Girish Sundaram	46	Associate Vice President	B.Tech - Computer Science	10,194,046	15.04.1996	23	Hughes Software Systems Ltd.	Senior Software Engineer	Jun.92
26.	Gregory Widener	53	Operations Director	M.Sc., MBA	15,463,963	25.07.2011	30	Xerox Corporation	Program Manager	Jun.83
27.	Gunamani Rajagopal	50	Associate Vice President	B.Tech - Electronics	6,364,517	27.10.1997	26	Texas Instruments (India) Ltd.	Sr. Development Engineer	Nov.95
28.	Gurpreet Singh Arora	39	Vice President	CA	10,920,728	01.05.2012	13	Wipro Limited	General Manager	Oct.07
29.	Harekrishna Rajagopalachar Sadarhall	45	Vice President	B.Tech - Mechanical	9,110,613	09.01.2012	24	Allegis Services India Pvt. Ltd.	Executive Vice President	Mar.09
30.	Harshdeep Arora	39	Associate Director	CA	8,909,295	10.05.2007	17	Indian Oil Corporation Ltd.	Deputy Manager	Nov.97
31.	Jai Yeshwanth Raj Shamraj	46	Vice President	PGD - Business Administration	6,807,762	29.03.2010	24	Satyam Computer Services Ltd.	Assistant Vice President	Feb.06
32.	Jayasri Bandi Krishnan	41	General Manager	MS (Computer Science)	8,202,095	05.01.1998	19	Centre for Industrial Consultancy and Sponsored Research	Senior Project Officer	Jun.97
33.	Kanad Chatterjee	52	Vice President	MBA - Finance	6,759,666	03.07.2000	28	Tata Technologies (India) Ltd.	Project Manager	Aug.86
34.	Kandukuri Venkata Subrahmanyam	46	Senior Vice President	MS	8,450,548	08.04.2011	24	Mphasis Limited	Vice President	Mar.06
35.	Kavitha Venkatachalam	38	Director - Recruitment Del. Lead, Talent	MBA - Human Resource	7,640,873	02.07.2012	15	Accenture Services Pvt. Ltd.	Manager	Feb.06
36.	Kevin Kusch	43	Operations Director	B.Sc. (Computer Science)	11,067,587	01.09.2011	19	Xerox Corporation	Software & Electronics Manager	Jun.06
37.	Lalitha Janakiraman	51	Associate Director - Talent Segment Lead	CA	6,582,761	01.07.2004	28	Harrods Ltd.	Analyst	Oct.00
38.	Madhumit Singh Dixit	49	Vice President	M.Tech - Instrumentation & Control	6,722,764	01.09.1995	25	Dalmia Cement (Bharat) Ltd.	Manager (Design Center)	Nov.92
39.	Mandeep Jolly	47	Associate Vice President	B.Tech - Computer Science, MS - Software Systems	7,099,482	12.04.1999	25	Escorts Ltd.	Senior Engineer	Feb.90
40.	Manish Kumar Sharma	41	Operations Director	B.Tech - Metallurgy	6,995,200	07.05.2001	20	Steel Authority of India Ltd.	Assistant Manager	Sep.94

ANNEXURE 4 TO THE DIRECTORS' REPORT
INFORMATION FOR DIRECTORS' REPORT U/S 217(2A) OF THE COMPANIES ACT, 1956

A. EMPLOYED FOR FULL FINANCIAL YEAR - 2013-14 (Contd.)

Sl. No.	Name	Age (in Yrs.)	Designation	Educational Qualification	Remuneration (in ₹)	Date of Joining	Experience in Yrs.	Previous Employment	Designation held in previous employment	Previous employment held since
41.	Manoj Kumbhat	47	Senior Vice President & CIO	MBA - Finance	17,378,390	28.03.2012	20	Pepsi Foods Pvt. Ltd.	CIO	Mar.06
42.	Manpreet Singh Khurana	39	Vice President & Head - Global IT	MBA - Computer Science	8,350,693	11.09.2003	18	Futuresoft Solutions Pvt. Ltd.	Assistant Manager - Technology	Aug.00
43.	Mukesh Gupta	43	Associate Vice President	PGDBA - Finance	6,862,031	08.05.1995	23	Tata Consultancy Services Ltd.	Assistant Operations Engineer	Jul.91
44.	Mukund Garg	44	Vice President	B.Tech - Electrical	8,425,718	18.02.2008	22	Satyam Computer Services Ltd.	Associate Vice President	Jun.04
45.	Munish Gupta	37	Associate Director	MBA - IT & Management	6,233,405	02.06.2003	14	S.G. Agencies	Manager - Sales & Stores	Apr.01
46.	Murali Ramamurthy	51	Associate Vice President	B.Tech - Mechanical	6,418,633	29.01.2004	25	BPL Telecom Pvt. Ltd.	Assistant General Manager	Apr.00
47.	Nand Kishore Avantisa	54	Associate Vice President	BA - General	6,829,019	14.07.2008	29	Tech Mahindra Ltd.	Head Delivery	Jun.07
48.	Napolean Periyakaruppan Chanthachalam	48	Associate Vice President	B.Tech - Computer Science	7,640,718	08.09.1997	26	MMTC Limited	Manager	Feb.91
49.	Narender Kumar Dureja	47	Associate Vice President	MCA	6,917,867	07.07.2005	24	ALL e Technologies Pvt.Ltd.	General Manager	Aug.00
50.	Naveen Narayanan	42	Global Head - Talent Acquisition	MBA	8,400,005	14.03.2012	21	Accenture Services Pvt. Ltd.	Senior Principal Consultant	Apr.06
51.	Neeraj Tandon	50	Senior Vice President	MBA - Marketing	6,174,123	27.02.2002	28	MCG Consulting Pvt. Ltd.	Director	May.00
52.	Nitin Pande	43	Senior Vice President - HR Advisory & Employee Serv.	MBA - Personnel, HR & IR	7,674,075	20.06.2005	21	Office Tiger Database Systems India Pvt.Ltd.	Assistant Vice President - Human Resources	Apr.04
53.	Padmaprasad Munirathinam	42	Vice President	B.Tech - Electrical	8,026,324	12.05.2010	15	Sap Labs India Pvt. Ltd.	Development Director	Jul.06
54.	Prabhuraman Sayanam	44	Vice President	B.Tech	8,566,790	29.08.1988	26	NA	NA	NA
55.	Prahlad Rai Bansal	57	Corporate Vice President	CA	7,196,266	30.08.2000	35	HCL America Inc.	Vice President	Nov.97
56.	Prasad Anjaneeya Chodavarapu	42	Senior Vice President	B.Tech, MS - Mechanical	8,788,470	18.12.2000	18	Savera Systems Inc.	Senior Member of Technical Staff	Feb.98
57.	Prateek Aggarwal	47	Executive Vice President - Finance	MBA - Finance	10,012,087	01.10.2012	23	Hexaware Technologies Limited	Chief Financial Officer	Jun.08
58.	Prithvi Harkirat Singh	47	Chief Human Resources Officer	MBA	36,171,045	19.04.2012	24	Accenture Services Pvt. Ltd.	Partner - Human Resources	Jan.04
59.	Raj Kumar Malik	54	Senior Vice President	B.Tech - Electrical	7,158,517	28.07.1997	32	Commonwealth Bank	Project Manager	May.96
60.	Raj Kumar Rai	42	Operations Director	B.Tech - Computer Science	7,958,538	06.02.1996	21	Cegelec India Ltd.	Software Specialist	Jun.95
61.	Rajagopal Swaminathan	55	Senior Vice President	MBA - Marketing	7,658,374	05.01.2004	31	Vyapin Software Systems Pvt. Ltd.	Director	Feb.99
62.	Rajasekhar Kuduva Ramamoorthy	48	Associate Vice President	M.Tech - Computer Science	9,869,231	01.02.1989	25	NA	NA	NA
63.	Rajesh Gupta	54	Vice President - Taxation	CA	7,961,011	17.03.2010	28	JSL Limited	Vice President - Taxation	May.09
64.	Rajiv Mahajan	54	Sr. Vice President & Director - Infrastructure Project	BE (Hons.) Civil, M.Sc (Hons.) - Economics	14,553,166	22.11.2010	29	Advance India Projects Ltd.	President Projects	Jan.10
65.	Rajiv Sodhi	55	Sr. Corporate Vice President & Chief Productivity & Workforce Competitiveness Officer	B.Tech, MBA - Marketing	11,670,078	24.07.1997	33	Tata Consultancy Services Ltd.	Manager Systems	Aug.81
66.	Rajnish Avatar	46	Vice President	BCA - Computer Science	7,606,633	31.07.2006	24	Hewlett-Packard, USA	Senior Software Manager	May.95
67.	Ramalingam Subbarayan	51	Deputy General Manager	M.Tech - Computer Science	7,230,246	12.06.2000	26	Indian Institute of Technology	Jr. Systems Officer	Aug.94
68.	Ramaswamy Vaidyanath	50	Associate Vice President	Masters in Financial Management	6,983,947	04.06.2012	30	Capgemini India Pvt. Ltd.	Principal	Jul.08
69.	Ramesh Edukulla	48	Service Delivery Director	PGD - Business Administration	6,177,043	25.06.2009	23	Capgemini India Pvt. Ltd.	Senior Manager	Mar.06
70.	Ramesh G Nathawani	51	Vice President	B.Tech - Computer Science	12,519,909	01.03.2002	28	Planetasia Ltd.	Head-Application Development Group	Oct.00
71.	Randeep Chikara	44	Senior Vice President	B.Tech - Electronics, MBA - Marketing	6,780,361	05.03.2008	21	EXL Business Process Solutions	Vice President - Client Relationship Management	Aug.06
72.	Rangarajan Raghavan	55	Senior Vice President	Diploma in Electrical Engineering	8,331,855	01.04.2003	36	HCL Infosystems Ltd.	Chief Support Officer	Sep.78
73.	Rangarajan Vijayaraghavan	49	Senior Vice President	MA	10,715,720	22.05.2009	27	Satyam Computer Services Ltd.	Vice President	May.99
74.	Ravi Kathuria	51	Vice President	MBA - Marketing	6,492,451	16.10.2012	29	Birlasoft (India) Ltd.	Vice President - Marketing	Mar.06
75.	Ravindra Nuguri	49	Vice President	PGD - Computer Science	7,152,898	04.02.2004	27	Tektronix Engineering Development (India) Pvt. Ltd.	Program Manager	Jun.00
76.	Ravishankar Sethuraman	47	Senior Vice President	B.Tech - Telecommunication	8,525,286	08.07.1999	25	DSQ Software Ltd.	Project Manager	Apr.97
77.	Renju George Varghese	40	Director - Global Practice	MCA	9,814,615	07.12.1999	15	Advance Centre for Computer Technology	System Administrator	Aug.98
78.	Saill Kumar Bhattacharjee	51	Associate Vice President	PGD - Computer Science	6,547,668	17.04.1998	30	Unicorp Industries Ltd.	Industry Manager - Banking	Jan.97
79.	Sandeep Srikanth Srinivasan	34	General Manager	B.Tech - Instrumentation & Control	6,760,994	22.05.2006	10	Infosys Technologies Ltd.	Software Engineer	Nov.03
80.	Sanjay Kumar Kapoor	41	Operations Director	B.Tech - Computer Science	6,917,814	01.10.1997	20	Tata Consultancy Services Ltd.	Software Engineer	May.94
81.	Sanjeev Mehrotra	47	Associate Vice President	MCA	6,483,616	12.01.2009	20	Satyam Computer Services Ltd.	Band I (Integrator)	Jan.08

ANNEXURE 4 TO THE DIRECTORS' REPORT
INFORMATION FOR DIRECTORS' REPORT U/S 217(2A) OF THE COMPANIES ACT, 1956

A. EMPLOYED FOR FULL FINANCIAL YEAR - 2013-14 (Contd.)

Sl. No.	Name	Age (in Yrs.)	Designation	Educational Qualification	Remuneration (in ₹)	Date of Joining	Experience in Yrs.	Previous Employment	Designation held in previous employment	Previous employment held since
82.	Sanjeev Nikore	54	President - Consumer, Manufacturing, Public Services & Sr. Corporate Vice President	MBA	12,598,374	03.09.2012	32	HCL Great Britain Ltd.	Senior Corporate Vice President	Sept.10
83.	Sanjog Chugani	45	Associate Vice President	B.Tech - Electronics	6,598,538	03.11.2009	14	Infosys Technologies Ltd.	Senior Project Manager	Mar.05
84.	Sanyam Kumar Saxena	52	Global Operations Director	B.Tech - Electrical	6,409,860	17.10.2001	29	MPHASIS-BFL Ltd.	Associate General Manager	May.00
85.	Sashi Kumar Pudur Radhakrishnan	43	Operations Director	M.Sc. - Computer Science	6,090,459	14.07.1995	20	Processware Systems Pvt. Ltd.	Programmer	Jan.94
86.	Salish Chandrasekaran	47	Executive Vice President	MBA	11,622,443	14.01.2010	26	Target Corporation India Pvt. Ltd.	Vice President	Aug.07
87.	Seshan Sowmya Narayanan	41	Director	Polytechnic Diploma - Electronics/Telecommunication	6,503,280	02.03.2010	23	IOPEX Technologies Pvt. Ltd.	Director	May.09
88.	Shiv Nadar	68	Chairman and Chief Strategy Officer	Electrical Engineer	120,742,487	13.09.1999	45	HCL Infosystems Ltd.	Whole-time Director & CEO	Aug.87
89.	Shridhar Ramanujam	54	Associate Vice President	B.Tech - Mechanical	7,445,103	25.07.2003	31	HCL Infosystems Ltd.	Deputy General Manager	Nov.95
90.	Shrikant Hanumanth Sheth	53	Global Operations Director - Delivery	B.Sc. - Biology	6,110,751	28.04.2003	33	Tata TD Waterhouse	Manager	Feb.98
91.	Shyam Enjeti	36	Global Operations Director	B.Tech, MS - Telecommunication	6,879,063	11.01.2010	11	Vordel, Inc.	Sr. Solutions Architect	May.08
92.	Siddhartha S	39	Vice President	MBA - Marketing	12,043,792	07.05.2001	17	Grindwell Norton Ltd.	Product Engineer	Jan.97
93.	Sreenadha Reddy Vangavaragu	46	Associate Vice President	B.Tech - Electronics & Communications	6,024,723	08.08.1996	22	MRO-TEK (P) Ltd.	Assistant Manager - Marketing	Aug.92
94.	Sridevi Pasupuleti	43	Operations Director	M.Sc. - Computer Science	6,016,378	25.07.2003	20	HCL Infosystems Ltd.	Senior Consultant	Jun.98
95.	Sriram Subramanian Vailtheeswarankovil	57	Sr. Corporate Vice President & Chief Customer Officer	MBA	10,600,860	01.10.2001	36	Cliticorp Overseas Software Ltd.	Centre Head	Nov.88
96.	Subbaraman Balasubramanyan	41	Operations Director	M.Sc. - Computer Science	8,377,384	03.06.1996	18	NA	NA	NA
97.	Subodh Kumar Jain	34	General Manager - Taxation	CA	6,210,122	27.05.2005	12	LG Electronics India Pvt. Ltd.	Executive - Finance	Dec.04
98.	Subramanian Gopalakrishnan	47	Vice President - Finance	CA, CS, CWA	8,107,931	09.12.2010	24	Satyam Computer Services Ltd.	Vice President - Finance	Jun.05
99.	Sujatha Anand	49	Vice President	B.Com	10,132,224	02.01.1986	28	NA	NA	NA
100.	Suresh Venkatesan	48	Global Operations Director	B.Tech - Electronics	6,538,082	20.12.1999	26	DSQ Software Ltd.	Associate Consultant	Sep.97
101.	Surya Pawan Kumar Vadapalli	39	Vice President	MBA - Personnel, HR & IR	8,264,182	14.05.2009	19	Satyam Computer Services Ltd.	Assistant Vice President	Aug.02
102.	Swapan Johri	49	Executive Vice President	B.Tech - Chemical	8,911,316	01.06.1999	27	CMOS Communications Pvt. Ltd.	Chief Operating Officer	May.98
103.	Tom Nedumattathil Thomas	50	Senior Vice President	MBA - Marketing	6,429,441	01.08.2005	26	HCL Technologies America Inc.	Business Development Manager	Apr.99
104.	Usha Lakshmanan	51	Vice President	CWA	6,434,778	03.09.2010	24	Accenture Services Pvt. Ltd.	Principal	Nov.08
105.	Varanasi Guru Venkata Subbaraya Sharma	50	Vice President - Internal Audit	CWA	8,506,195	24.01.2011	23	ATC Tires Pvt. Ltd.	Vice President - Internal Audit	Jun.10
106.	Vasudevan Aravamudhan	55	Senior Vice President	B.Tech - Electronics	6,769,507	29.06.1996	32	NA	NA	NA
107.	Veena Rao	46	Global Practice Director	B.Com	6,278,316	16.11.2006	21	i-Flex Solutions Limited	Associate Director - Presales	Mar.03
108.	Venkatesan Muthukumaraswami	56	Senior Vice President - Operations	M.Tech - Electronics	9,070,911	30.09.1998	31	Alstom Ltd.	Area Manager	Jul.87
109.	Vijay Anand Guntur	46	Senior Vice President	M.Sc (Computer Science), MBA	8,688,625	14.07.1994	25	HCL Hewlett Packard Ltd	Deputy Manager	Jun.89
110.	Vijay Malliya	50	Senior Vice President	MBA - Finance	8,933,227	26.09.2001	29	State Bank of India	Associate Manager	May.85
111.	Vikas Sharma	44	Associate Vice President - LOB HR Lead	MBA - HR	8,082,488	26.07.2010	21	Manpower Services (India) Pvt. Ltd.	Chief - Human Resources	Jun.08
112.	Vikram Sarathy	52	Senior Vice President	MBA - Technology	9,321,055	03.02.2003	32	AL Bank Alsaudi	Department Manager	Jan.97
113.	Vikrant Dhawan	46	Associate Vice President - Legal	LLB	7,525,777	28.04.2008	23	Glaxosmithkline Consumer Healthcare Ltd.	General Manager - Legal	Jan.07
114.	Vineet Vedprakash Sood	47	Senior Vice President - Treasury	CWA	15,373,670	25.11.2010	23	Tata Consultancy Services Ltd.	Treasurer	Mar.06
115.	Vinutha M S Rao	41	Operations Director	B.Tech - Electronics	7,055,531	11.03.2002	16	CyberCash India Pvt. Ltd.	Technical Lead - Customer Support	Aug.98

ANNEXURE 4 TO THE DIRECTORS' REPORT
INFORMATION FOR DIRECTORS' REPORT U/S 217(2A) OF THE COMPANIES ACT, 1956

B. EMPLOYED FOR PART OF THE FINANCIAL YEAR - 2013-14

Sl. No.	Name	Age (in Yrs.)	Designation	Educational Qualification	Remuneration (in ₹)	Date of Joining	Experience in Yrs.	Previous Employment	Designation held in previous employment	Previous employment held since
1.	Annie Abraham	47	Global Operations Director	B.Tech - Instrumentation & Control	5,800,638	12.11.1996	25	Kirloskar Oil Engines Ltd.	Software Engineer	Jan.89
2.	Anupam Adeeb	43	Vice President	B.Tech - Computer Science	6,961,476	14.01.2004	20	Citrix Systems India Pvt. Ltd.	Channel Manager	Feb.02
3.	Anurag Sharma	46	Associate Vice President	MBA - Marketing, M.Phil	2,187,654	24.11.2008	24	Tech Mahindra Ltd.	Head BD - IT Infrastructure Services	Aug.06
4.	Arvind Jaiswal	42	Service Delivery Director	B.Tech - Electrical	5,089,127	16.02.2009	21	Genpact India	Assistant Vice President	Jul.06
5.	Ashish Bhagat	38	Associate Director	CA	5,202,180	02.11.2009	9	EXL Service.Com (India) Pvt. Ltd.	AVP Finance	Jun.07
6.	Ashish Dubey	36	Associate General Manager	ITIL, MCSA Certified	4,576,588	30.10.2013	16	HCL Technologies Norway AS	Associate General Manager	Oct.13
7.	Ashok Radhakrishnan	53	Senior Vice President	MBA - Strategy Management	12,957,530	10.10.2013	29	ISG Novasoft Technologies Ltd.	COO	Aug.07
8.	B Kalyan Kumar	38	Sr. Vice President & Chief Technologist	B.Tech - Production	9,012,766	01.09.2000	17	Digital/Compaq Computer India	Systems Engineer	Jun.97
9.	Balaji Prasad Nandagopal	55	Vice President	BSc - General	10,989,131	25.07.2003	33	HCL Infosystems Ltd.	General Manager	Jun.94
10.	C R D Prasad	57	Sr. Corporate Vice President & Chairperson	B.Tech - Production	8,541,372	01.07.1995	34	Hindustan Instruments Ltd.	All India Sales & Service Manager	Sep.80
11.	Chalamala Venkata Subba Reddy	51	Operations Director	B.Tech - Mechanical	7,284,476	08.04.2004	28	Nest Avionics	Project Manager	Jan.04
12.	Dilip Kumar Srivaslava	55	Corporate Vice President	MSW (HR & IR)	9,276,668	07.06.2005	33	Vanguard Solutions Ltd.	Vice President - HR	May.05
13.	Ganesh Sunder	46	Associate Vice President	B.Tech - Electrical & Electronics	2,436,283	03.03.2014	22	Accenture Services Pvt. Ltd.	Managing Director	Jun.07
14.	Hemant Vijh	42	Associate Vice President	PGD - Business Management	6,512,270	11.09.2000	20	SHD Infomatics Pvt. Ltd.	Director	Oct.97
15.	Jagadeshwar Gattu	44	Sr. Vice President - America	MS - Information Systems	5,556,585	01.01.2007	20	Genpact India	Vice President	Nov.05
16.	Kannan Veeraraghavan	56	Chief Quality Officer	B.Com & Certificate courses	8,616,265	01.08.2005	32	KPMG Peat Marwick	Executive Director - Software Process	Jun.95
17.	Manas Chakraborty	45	Associate Vice President	M.Sc.	6,017,396	17.11.2008	20	Infosys Technologies Ltd.	Sr. Consultant & Anchor	May.04
18.	Manish Kumar Pandeya	44	Associate Vice President	MBA	2,082,521	24.02.2014	20	Cognizant Technologies Solutions India Pvt. Ltd.	Senior Manager	Apr.00
19.	Manjeet Dua	41	Service Delivery Director	MBA	9,306,049	16.10.2008	19	Bharti Airtel Ltd.	Deputy General Manager-IT	May.08
20.	Munukutla Narasimha Srinivas	41	Vice President	MBA - Finance	1,499,375	06.05.2014	17	Accenture Services Pvt. Ltd.	Managing Director	Dec.06
21.	Murali KS	51	Vice President	B.Tech - Computer Science	11,070,475	10.03.2005	27	P.S.I. Data Systems Ltd.	Vice President	Mar.90
22.	Naresh Nagarajan	51	Senior Vice President	B.Tech-Mechanical, MS - Computers	3,483,958	11.04.2011	25	Self Employed	Founder Chief Consultant	Jul.09
23.	Navin Sabharwal	40	Associate Director & Principal Solution	B.Com, M.Sc. (IT)	8,949,055	26.11.1998	16	NA	NA	NA
24.	Neeru Mehta	39	General Manager - HR	MBA - Personnel, HR & IR	3,256,062	17.07.2002	17	Siemens Ltd	Sr. Eexecutive HRD	Jul.01
25.	Nirmala Datta	50	Vice President	PGD - General Management	1,907,154	24.04.2014	30	Microsoft India (R&D) Pvt. Ltd.	Regional Director & Principal IT Prog. Manager	Jan.13
26.	Pradeep Bindal	51	Corp. Vice President - Asia & Middle East, Africa	MCA	4,742,217	01.11.2013	26	HCL Comnet Systems & Services Ltd.	Corp. Vice President - Asia & Middle East, Africa	Dec.95
27.	Pradeep Kumar KS	53	Operations Director - CAG	MS - Computer Science	5,939,949	09.06.2003	29	Integra Micro Systems Pvt. Ltd.	Manager Quality	Dec.00
28.	Prasun Roy Barman	46	Associate Vice President	B.Tech - Electronics	6,097,177	07.08.2003	20	Computer Science Corporation India Pvt. Ltd	Sr. Consultant	Jun.03
29.	Radhakrishnan Hulkal Srinivasa	48	General Manager	B.Tech - Production	3,302,766	04.05.2006	26	Sahara Airlines	Manager	Feb.02
30.	Rajan B Pillai	58	Associate Vice President	MBA	4,731,938	11.09.2001	33	JMS Word wide	Manager - Projects	Sep.99
31.	Ramakrishna Venkatraman	62	Sr. Corporate Vice President & Chief Delivery Officer	M.Tech - Electrical	7,717,526	23.07.2003	40	Eximsoft Technologies Pvt.Ltd.	Managing Director	Apr.97
32.	Ramakrishna Venkatraman	54	Associate Vice President	M.Sc. - Electronics	7,588,093	08.08.2006	31	Accenture Services Pvt. Ltd.	Senior Manager	Jul.05
33.	Ramani Balakrishnan	49	Practice Director - BFSI	MBA - Finance	6,264,706	13.10.2008	24	Birlasoft (India) Ltd.	General Manager	Sep.03
34.	Ravi Kumar Menon	61	Associate Vice President	BA - General	2,466,033	01.04.2005	35	HCL Infosystems Ltd.	Associate Vice President	Aug.95
35.	Rohit Kishore	44	Vice President	B.Tech (Hons) - Mechanical	3,113,380	21.04.2014	21	Cognizant Technology Solutions Pvt.Ltd.	AVP - Projects	Dec.11
36.	Sandip Gupta	55	Sr. Corp. Vice President - Business Finance	CA	11,006,230	01.10.2005	32	HCL Comnet Systems & Services Ltd.	Vice President	Oct.98
37.	Sateesh Krishnamurthy Tiptur	55	Associate Vice President	Phd - Computer Science	3,793,050	22.01.2001	32	MPHASIS-BFL Ltd.	AGM- Technical	Oct.99

**ANNEXURE 4 TO THE DIRECTORS' REPORT
INFORMATION FOR DIRECTORS' REPORT U/S 217(2A) OF THE COMPANIES ACT, 1956**

B. EMPLOYED FOR PART OF THE FINANCIAL YEAR - 2013-14 (Contd.)

Sl. No.	Name	Age (in Yrs.)	Designation	Educational Qualification	Remuneration (in ₹)	Date of Joining	Experience in Yrs.	Previous Employment	Designation held in previous employment	Previous employment held since
38.	Sheela Mohan	50	Vice President	M.Tech - Computer Science	3,460,195	06.12.1999	28	Cadence Design Systems (India) Pvt. Ltd.	Program Manager	May.98
39.	Shivakumar Krishnamurthy	57	Vice President - Business	B.Tech - Mechanical	2,657,789	25.05.2004	33	HCL America Inc.	Vice President - Sales	Sep.03
40.	Sreehari Krishnapuram	45	Associate Vice President	PGD - Business Administration	6,628,934	09.07.2009	24	HCL Technologies Ltd.	Consultant	Aug.08
41.	Subramani Venkataraman	51	Operations Director	MBA - Marketing Management	5,081,021	11.09.2008	27	Global Automation	Delivery Head - Projects	Feb.95
42.	Surinder Pal Singh Arora	38	Global Operations Director	CA	765,762	26.05.2014	16	Aegis Limited	Vice President	Oct.09
43.	Swaminathan Nagarajan	49	Associate Vice President	MBA - Management	6,915,442	27.11.2003	26	India Software Group	Principal Consultant	Jul.02
44.	Tajeshwar Singh	38	Director & Chief Solution Architect	B.Tech - Electronics	9,708,455	8-Feb-01	16	Microland Ltd.	Network Engineer	Feb.00
45.	Thiagarajan Suryanarayanan	38	Vice President	MBA - HR/Industrial Relations	2,406,620	21.05.2014	17	Accenture Services Pvt. Ltd.	Analyst	Dec.02
46.	Udayakumar Nalinasekaren	54	Executive Vice President	ME - Computer Science	8,272,189	02.07.1984	29	Hewlett Packard Ltd.	Group Project Manager	Jul.84
47.	Vineet Nayar	51	Vice Chairman & Joint Managing Director	MBA	14,747,627	01.08.2008	29	HCL Comnet Systems & Services Ltd.	Chief Executive Officer	Jan.95
48.	Vipul Soni	37	Vice President	MBA	2,475,740	18.03.2014	12	Accenture Services Pvt. Ltd.	Senior Manager	Jul.07
49.	Xavier Chelladurai	55	Associate Vice President	Phd - Computer Science	3,080,309	10.07.2000	31	ST. Xavier's College	Reader 7 Head Dept. of Comp. Sci.	Jul.83

Notes:

1. None of the employees listed above is a relative of any director of the Company.
2. The nature of employment is contractual in all the above cases.
3. None of the employee listed above owns 2% or more of the paid-up equity share capital of the Company.
4. The above statement covers the remuneration paid by the Company and not by any subsidiary/ies.

For and on behalf of the Board of Directors

Place: Noida (U.P.), India
Date : July 31, 2014

SHIV NADAR
Chairman and Chief Strategy Officer

CORPORATE GOVERNANCE REPORT 2013-14

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

Good corporate governance underpins the success and integrity of the organizations, institutions and markets. It is one of the essential pillars for building efficient and sustainable environment.

Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. Good governance practices stem from the culture and mindset of the organization. Effectiveness of the Corporate Governance in the Company depends on regular review, preferably regular independent review. As stakeholders across the globe evince keen interest in the practices and performance of companies, Corporate Governance has emerged on the centre stage. The Company considers the maintenance of fair and transparent corporate governance to be one of its most important management issue, and enhance its organizational systems and structures accordingly. Some of the important best practices of Corporate Governance framework are timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the Company.

Philosophy on Code of Governance

Our Corporate Governance philosophy is based on the following principles:

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

Corporate Governance is an integral part of the philosophy of the Company in its pursuit of excellence, growth and value creation. In addition to complying with the statutory requirements, effective governance systems and practices towards improving transparency, disclosures, internal control and promotion of ethics at work place have been institutionalized. The Company recognizes that good governance is a continuing exercise and reiterates its commitment

to pursue highest standards of Corporate Governance in the overall interest of all its stakeholders.

Board of Directors ("Board")

The Board of Directors determines the purpose and values of the Company. The primary role of the Board is that of trusteeship to protect and enhance stakeholders' value through strategic supervision of the Company and its subsidiaries.

Our Company is headed by an effective Board that exercises leadership, integrity and judgment in directing so as to achieve continuing prosperity and to act in the best interest of the Company. The Board plays a critical role in overseeing how the management serves the short and long term interests of shareholders and other stakeholders. This is reflected in our governance practices, under which we strive to maintain an active, informed and independent Board. They ensure that the Company complies with all relevant laws, regulations, governance practices, accounting and auditing standards. They identify key risk areas and key performance indicators of the Company's business and constantly monitor these factors.

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

Board Size and Composition

The Board of Directors ("Board") is at the core of our Corporate Governance practices and oversees how the management serves and protects the long term interests of all our stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure highest standards of Corporate Governance.

The Board of the Company has an optimum combination of Executive, Non-executive and Independent Directors who have an in-depth knowledge of business, in addition to the expertise in their areas of specialization. During the year, a majority of the Board comprised of Independent Directors. Independent Directors play a critical role in imparting balance to the Board processes by bringing independent judgments on issues of strategy, performance, resources, standards of the Company, conduct etc.

As on June 30, 2014, the Board consisted of 10 members, of which, one is the promoter director who is designated as Chairman and Chief Strategy Officer of the Company. The other nine directors are Non-Executive Directors, of which, 7 are the Independent Non-executive Directors. During the year under review, Mr. Vineet Nayar (DIN 02007846) and Mr. Subroto Bhattacharya (DIN 00009524), Directors of the Company who were liable to retire by rotation in the last Annual General Meeting of the Company held on December 27, 2013 had expressed their unwillingness to seek re-appointment as Directors of the Company. Accordingly, Mr. Nayar and Mr. Bhattacharya were not reappointed as Directors and it was resolved not to fill the vacancies so caused.

Composition of the Board and the Directorships held as on June 30, 2014 is as follows:

Name of Director	Position in the Company	Directorships in Indian public limited companies (including HCL Technologies Ltd.)	Directorships/ memberships in all other companies/ trust/ other entities (including overseas companies)	Committee memberships* (including HCL Technologies Ltd.)	Committee Chairmanships* (including HCL Technologies Ltd.)	No. of shares held (of ₹2 each)
Mr. Shiv Nadar (DIN 00015850)	Chairman and Chief Strategy Officer	1	23	1	-	184
Ms. Roshni Nadar Malhotra (DIN 02346621)	Non-Independent Non-Executive Director	1	28	1	-	174
Mr. Sudhinder Krishan Khanna (DIN 01529178)	Non-Independent Non-Executive Director	4	5	1	1	Nil
Ms. Robin Ann Abrams (DIN 00030840)	Independent Non-Executive Director	1	4	2	1	Nil
Mr. Amal Ganguli (DIN 00013808)	Independent Non-Executive Director	11	4	6	4	Nil
Mr. Keki Mistry (DIN 00008886)	Independent Non-Executive Director	14	3	6	4	Nil
Mr. Ramanathan Srinivasan (DIN 00575854)	Independent Non-Executive Director	3	15	2	-	Nil
Dr. Sosale Shankara Sastry (DIN 05331243)	Independent Non-Executive Director	1	1	-	-	Nil
Mr. Srikanth Madhav Datar (DIN 01893883)	Independent Non-Executive Director	1	4	1	2	Nil
Mr. Subramanian Madhavan (DIN 06451889)	Independent Non-Executive Director	1	1	1	1	700

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

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

Brief Profile of the Board Members
Mr. Shiv Nadar

Mr. Shiv Nadar, aged 69 years, is an Electrical Engineer from Coimbatore in South India. Mr. Shiv Nadar established HCL as a startup in 1976. Acknowledged as a visionary by the IT industry and his peers, Mr. Shiv Nadar has often made daring forays based on his conviction of the future. The University of Madras and IIT Kharagpur awarded him an Honorary Doctorate Degree in Science for his outstanding contribution to IT in India. In recognition of his pioneering role in business and philanthropy in India and across the globe, Mr. Nadar has received several honours and accolades, notable being the Padma Bhushan from the President of India in 2008 and the BNP Paribas Grand Prize for Individual Philanthropy in 2013. Determined to give back to the society that supported him, Mr. Nadar has been quietly supporting many significant social causes through the **Shiv Nadar Foundation**. The Foundation has established the not-for-profit SSN College of Engineering in Chennai, ranked among India's top ranked private engineering colleges. A young and a unique research-led interdisciplinary Shiv Nadar University has been identified as India's first Ivy League institution. The Foundation is also running "**VidyaGyan**" schools in Uttar Pradesh that provide free, world class education to rural toppers from economically disadvantaged backgrounds. He also very

strongly supports initiatives for the girl child and the empowerment of women.

Ms. Roshni Nadar Malhotra

Ms. Roshni Nadar Malhotra, aged 32 years is a CEO and Executive Director of HCL Corporation Pvt. Ltd. She brings a global outlook, strategic vision and passion for business, social enterprise and institution-building to her varied roles at HCL Corporation and the Shiv Nadar Foundation. Ms. Roshni is also a Trustee of the Shiv Nadar Foundation, which among its transformational educational initiatives has established the SSN Institutions in Chennai, today among the top private engineering and business schools in India, the interdisciplinary Shiv Nadar University in the National Capital Region of Delhi, VidyaGyan schools in Uttar Pradesh, Shiv Nadar Schools and the iconic Kiran Nadar Museum of Art and Shiksha, an innovative technology-led intervention in education envisioned to eradicate illiteracy from India.

She is the driving force behind the VidyaGyan schools in Uttar Pradesh, a radical initiative to induct and transform meritorious rural children from economically challenged backgrounds and create leaders of tomorrow. As a representative of the Shiv Nadar Foundation, she was involved in a joint initiative with the Rajiv Gandhi

Foundation to promote the education of the Dalit and Muslim girl child in some of the most backward districts in the State of Uttar Pradesh in India. Ms. Roshni has been inducted into the Forum of Young Global Leaders, for her inspiring work in philanthropy and education in India at a very young age. She has been recently conferred the prestigious 'NDTV - Indian of the year- India's Future' award under the 'Philanthropic' category. Ms. Roshni is a MBA from the Kellogg Graduate School of Management with a focus on Social Enterprise, Management and Strategy. At Kellogg, she received the Dean's Distinguished Service Award.

Mr. Sudhinder Krishan Khanna

Mr. Sudhinder Krishan Khanna, aged 61 years, has a Bachelor of Arts (Honors) degree in Economics from St. Stephen's College (New Delhi) and is a Chartered Accountant. He is the Chairman and Managing Director of IEP Mumbai, a leading control oriented PE Fund. He was one of the founding members of Accenture worldwide and became the Country Managing Partner of Accenture in India and the Middle East and a lead member of the Accenture Global Management Team. He was responsible for establishing all major Accenture businesses in India, including ITO, BPO and KPO. Mr. Khanna serves on the board of United Spirits, Peninsula Holdings, Canara HSBC Insurance etc.

Ms. Robin Ann Abrams

Ms. Robin Ann Abrams, aged 63 years, holds both a Bachelor of Arts and a Juris Doctor degree from the University of Nebraska. She was the interim CEO at ZILOG. She had been the President of Palm Computing and Senior Vice President at 3Com Corporation. She was formerly the President and CEO at VeriFone and also held a variety of senior management positions with Apple Computers. As a Vice President and General Manager of the Americas, she oversaw sales and channel management for U.S., Canada and Latin America. Ms. Abrams spent eight years with Unisys in several senior-level positions and also served several U.S. public company Boards and several academic advisory committees.

Mr. Amal Ganguli

Mr. Amal Ganguli, aged 74 years is a fellow member of the Institute of Chartered Accountants of India and the Institute of Chartered Accountants in England and Wales and a member of the New Delhi chapter of the Institute of Internal Auditors, Florida, U.S.A. He was the Chairman and Senior Partner of PricewaterhouseCoopers, India till his retirement in 2003. Besides his qualification in the area of accounting and auditing, he is an alumnus of IMI, Geneva. During his career spanning over 42 years, his range of work included international tax advice and planning, cross border investments, corporate mergers and re-organization, financial evaluation of projects, management, operational and statutory audit and consulting projects funded by international funding agencies.

Mr. Keki Mistry

Mr. Keki Mistry, aged 59 years is the Vice Chairman & Chief Executive Officer of HDFC Ltd. He is a Chartered Accountant from the Institute of Chartered Accountants of India and a Certified Public Accountant from the Michigan Institute, U.S.A. Besides being on the board of several HDFC Group companies including HDFC Bank, Mr. Mistry is also on the Board of other companies including Sun Pharmaceutical Industries Ltd and Torrent Power Ltd. Some of Mr. Mistry's recognitions include the CFO India Hall of Fame by the CFO India magazine in 2012, the 'CA Business Achiever of the Year' award in the Financial Sector by the Institute of Chartered Accountants of India (ICAI) in 2011, declared as the Best CFO in the Financial Services category by the ICAI for 2008, CNBC TV18's Award for the 'Best Performing CFO in the Financial Services Sector' for three consecutive years - 2006, 2007 and 2008 and CFO of the Year for 2008, selection as the 'Best Investor Relations Officer' in the Corporate Governance poll by Asiamoney (2008).

Mr. Ramanathan Srinivasan

Mr. Ramanathan Srinivasan, aged 68 years, has an Electrical Engineering Degree from Madras University and MBA Degree from Indian Institute of Management, Ahmedabad. He is the Founder, Managing Director of Redington (India) Limited, a 4.6 billion dollar Technology Products Supply Chain Solution Company operating in India, Middle East, Africa and Turkey. Prior to starting Redington in Singapore, he spent three years in Indonesia with a leading Textile Company. His experience also includes a number of years with Readers Digest and the Coca-Cola Corporation in India.

Dr. Sosale Shankara Sastry

Dr. Sosale Shankara Sastry, aged 58 years, is currently the Dean of Engineering at University of California, Berkeley. Dr. Sastry is B.Tech from Indian Institute of Technology, Bombay; M.S. EECS (1979), University of California, Berkeley; M.A. Mathematics (1980), University of California, Berkeley and Ph.D. EECS, University of California, Berkeley. His areas of personal research are embedded control, cybersecurity, autonomous software for unmanned systems (especially aerial vehicles), computer vision, nonlinear and adaptive control, control of hybrid and embedded systems, and network embedded systems and software. He has been concerned with cybersecurity and critical infrastructure protection. He has co-authored over 450 technical papers and 9 books. During his career, the positions held by him include Member, Scientific Advisory Board for Singapore National Research Foundation and Member of Science and Technology Advisory Board for the Thai Prime Minister.

Mr. Srikanth Madhav Datar

Mr. Srikanth Madhav Datar, aged 61 years, is the Arthur Lowes Dickinson Professor at Harvard University. He is a graduate from the Indian Institute of Management, Ahmedabad, is a Chartered Accountant and a Cost and Works Accountant. He also holds two Masters degrees and a Ph.D. from Stanford University. He is a co-author of the leading cost accounting textbook, Cost Accounting: A Managerial Emphasis, and Rethinking the MBA: Business Education at a Crossroads. He has published his research on activity-based management, quality, productivity, time-based competition, new product development, bottleneck management, incentives, performance evaluation and corporate governance in several prestigious journals. He has served on the editorial boards of several journals and presented his research to corporate executives and academic audiences in North America, South America, Asia, Africa and Europe. He is a member of the American Accounting Association and the Institute of Management Accountants.

Mr. Subramanian Madhavan

Mr. Subramanian Madhavan, aged 57 years was a Senior Partner and Executive Director in PricewaterhouseCoopers from where he retired. He was responsible for leadership development and coaching through annual performance planning for all leadership positions. His responsibility also included oversight and delivery of sectorally focused firm wide services, from Assurance to Advisory and Tax, being a primary relationship partner for several global clients. He was also a long standing leader of the indirect tax practice in PricewaterhouseCoopers and is nationally and globally recognized as a leading subject matter expert in that area. He is currently the Co-Chairman of the GST Task Force in FICCI, has been the past President Northern Region, Indo American Chamber of Commerce and the past Co-Chairman of the Taxation Committee, ASSOCHAM.

Memberships on other Boards

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

There is no limitation on the Directorships/Committee memberships for other directors except those imposed by law and good corporate governance.

Directors' Responsibilities

(a) In addition to the duties and responsibilities entrusted on the Directors of the Company as per the provisions of the Companies Act, it is the elementary responsibility of the Board members to oversee the management of the Company and in doing so, serve in the best interest of the Company and its stockholders. This responsibility inter-alia shall include:

- Reviewing and approving fundamental operating, financial and other corporate plans, strategies and objectives.

- Evaluate whether the corporate resources are being used only for appropriate business purposes.
- Establishing a corporate environment that promotes timely and effective disclosure (including robust and appropriate controls, procedures and incentives), fiscal responsibility, high ethical standards and compliance with all applicable laws and regulations.
- Evaluating the performance of the Company and its senior executives and taking appropriate action, including removal, where warranted.
- Evaluating the overall effectiveness of the Board and its Committees.
- To attend the Board, Committee and shareholders meetings.

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

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

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

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

Board meetings functioning and procedure

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

Board Meeting - Frequency: The Board meets at least once a quarter to review the quarterly results and other items of the agenda. Whenever necessary, additional meetings are held. In case of business exigencies or urgency of matters, resolutions are passed by circulations. The Company effectively uses teleconferencing

facility to enable the participation of Directors who could not attend the same due to some urgency.

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

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

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

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

Access to employees: The directors are provided free access to officers and employees of the Company. Management is encouraged to invite the Company personnel to any Board meeting at which their presence and expertise would help the Board to have a full understanding of matters being considered.

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

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

Number of Board Meetings and the dates on which these were held

Seven Board meetings were held during the year ended June 30, 2014. These were held on July 29 & 31, 2013, October 15 & 17, 2013, November 22, 2013, December 27, 2013, January 14 & 16, 2014, February 11, 2014 and April 15 & 17, 2014. The following table gives the attendance record of the Board meetings held during the year and the last Annual General Meeting:

Name of Director	No. of board meetings held	No. of board meetings attended	Whether attended last AGM
Mr. Shiv Nadar	7	6	Yes
Mr. Amal Ganguli	7	7	Yes
Mr. Keki Mistry	7	6	Yes
Mr. Ramanathan Srinivasan	7	4^	No
Ms. Robin Ann Abrams	7	5	No
Ms. Roshni Nadar Malhotra	6	6	Yes
Dr. Sosale Shankara Sastry	7	4^	No
Mr. Srikant Madhav Datar	7	4^	No
Mr. Subramanian Madhavan	7	6	No
Mr. Subroto Bhattacharya*	3	-	No
Mr. Sudhindar Krishan Khanna	7	7	Yes
Mr. Vineet Nayar*	3	3	No

*Mr Vineet Nayar and Mr. Subroto Bhattacharya ceased to be Directors of the Company w.e.f. December 27, 2013.

^ attended one meeting through conference call.

Board Committees

The Board committees play a crucial role in the governance structure of the Company and are being set out to deal with specific areas / activities which concern the Company and need a closer review. They are set up under the formal approval of the Board, to carry out the clearly defined role which is considered to be performed by members of the Board, as a part of good corporate governance. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action.

As on June 30, 2014, the Company has six Board Committees viz. Audit Committee, Nomination and Remuneration Committee, Finance Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Employees' Stock Option Allotment Committee. The Risk Management Committee that was dissolved during the year has been re-constituted by the Board in its meeting held on July 29-31, 2014.

Keeping in view the requirements of the Companies Act as well as Clause 49 of the Listing Agreement, the Board decides the terms of reference of various committees which set forth the purposes, goals and responsibilities of the Committees. All observations, recommendations and decisions of the committees are placed before the Board for information or for approval.

Frequency and length of meeting of the Committees of the Board and Agenda

The Chairman of each Committee of the Board, in consultation with the Chairman of the Board and appropriate members of management determine the frequency and length of the meeting of the Committees and develop the Committees' agenda. The agenda of the Committee meetings is shared with all the members of the Committee.

Chairmanship / Membership of Directors in Committees of the Board of Directors of the Company:

Sl. No.	Director	Audit Committee	Nomination and Remuneration Committee*	Stakeholders' Relationship Committee	Corporate Social Responsibility Committee	Finance Committee	Employees' Stock Option Allotment Committee	Risk Management Committee
Executive Directors								
1.	Mr. Shiv Nadar	N.A.	Member	Member	Chairman	Member	Member	N.A.
Non-Independent Non-Executive Directors								
2.	Ms. Roshni Nadar Malhotra	N.A.	Member	Member	Member	N.A.	N.A.	N.A.
3.	Mr. Sudhinder Krishan Khanna	N.A.	N.A.	N.A.	N.A.	Member	N.A.	N.A.
Independent Non-Executive Directors								
4.	Mr. Amal Ganguli	Chairman	N.A.	N.A.	N.A.	Chairman	N.A.	Chairman
5.	Mr. Keki Mistry	Member	N.A.	N.A.	N.A.	N.A.	N.A.	Member
6.	Mr. Ramanathan Srinivasan	N.A.	Chairman	N.A.	N.A.	Member	N.A.	N.A.
7.	Ms. Robin Ann Abrams	Member	Member	N.A.	N.A.	N.A.	N.A.	Member
8.	Dr. Sosale Shankara Sastry	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
9.	Mr. Srikant Madhav Datar	N.A.	Member	N.A.	N.A.	N.A.	N.A.	N.A.
10.	Mr. Subramanian Madhavan	Member	N.A.	Chairman	Member	N.A.	Member	Member

NOTES:

* *Erstwhile Nominations Committee (comprising of Mr. Shiv Nadar as Chairman and Mr. Ramanathan Srinivasan as Member) and Erstwhile Compensation Committee (comprising of Mr. Ramanathan Srinivasan as Chairman and Ms. Robin Ann Abrams and Mr. Srikant Madhav Datar as Members of the Committee) were merged by the Board in its meeting held on April 15 & 17, 2014 in light with the provisions of the Companies Act, 2013 and named it as "Nomination and Remuneration Committee".*

The Chairmanship/ Membership of the Directors in Committees of the Board of Directors of the Company given in the above table are as on June 30, 2014 (except for Risk Management Committee which was re-constituted by the Board of Directors in its meeting held on July 29-31, 2014).

1. Audit Committee

As on June 30, 2014, the Audit Committee comprises of four Independent Directors namely:

- Mr. Amal Ganguli (Chairman)
- Ms. Robin Ann Abrams
- Mr. Subramanian Madhavan
- Mr. Keki Mistry*

* *Mr. Keki Mistry was appointed as a member w.e.f. October 15, 2013.*

During the year under review, Mr. Subroto Bhattacharya ceased to be the member of the Audit Committee w.e.f. December 27, 2013.

The Company Secretary acts as a Secretary to the Committee.

Terms of Reference

The Board of Directors in its meeting held on April 15 & 17, 2014 and in its meeting held on July 29-31, 2014 modified the terms of reference of the Audit Committee keeping in view the requirements under the Companies Act, 2013 and requirements under revised Clause 49 of the Listing Agreement (to be effective from October 1, 2014). These terms of reference are as under:

a) Statutory Auditors

Recommend to the Board the appointment, re-appointment and if required, the replacement or removal of the statutory auditors, including filling of a casual vacancy, fixation of audit fee/ remuneration, terms of appointment and also provide prior approval of the appointment of and the fees for any other services rendered by the statutory auditors. Provided that the statutory auditors shall not render services prohibited to them by Section 144 of the Companies Act, 2013 or by professional regulations.

The Audit Committee shall take into consideration the qualifications and experience of the firm proposed to be considered for appointment as auditors as specified under Section 141 of the Companies Act, 2013 and whether these are commensurate with the size, nature of business and requirements of the Company and also consider any completed and pending proceedings against the proposed firm of auditors before the Institute of Chartered Accountants of India or any competent authority or any Court.

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

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

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

The Audit Committee is also responsible for:

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

c) Review audit plan

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

d) Conduct of audit

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

e) Review and examination of Audit Results

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

f) Review and examination of Financial Statements

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

1. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Section 217 (2AA) of the Companies Act, 1956 and Section 134(5) of the Companies Act, 2013.
2. Any changes in accounting policies and practices and reasons for the same.
3. Major accounting entries based on exercise of judgment by management.
4. Qualifications in draft audit report.
5. Significant adjustments made in the financial statements arising out of audit.
6. The going concern assumption.
7. Compliance with accounting standards.
8. Compliance with stock exchange and legal requirements concerning financial statements.
9. Any related party transactions i.e. transactions of the Company with its subsidiaries, promoters or the management, or their relatives, etc. that may have conflict with the interest of the Company at large.
10. Contingent liabilities.
11. Status of litigations by or against the Company.
12. Claims against the Company and their effect on the accounts.

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

g) Review Quarterly Results

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

h) Risk Management functions

The Audit Committee shall perform the following Risk Management Functions:

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

The Committee shall have access to any internal information necessary to fulfill its oversight role. As and when required, the Committee may assign tasks to the Internal Auditor, the Company's internal Risk management team and any external expert advisors considered necessary for any task and they will provide their findings to the Committee.

i) Review the performance of the Internal and External Auditors

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

j) Oversight Role

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

k) Review internal audit function

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

l) Review Internal Audit plans

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

m) Review Internal Audit reports

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

n) Review systems of internal financial controls

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

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

The Vigil mechanism/Whistle Blower Policy set up/formulated by the Company shall provide for adequate safeguards against victimization of all persons referring any matter under the mechanism and shall also provide for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. Matters referred and the action taken shall be regularly reported to the Audit Committee once a quarter or more

frequently. The mechanism and policy shall cover whistle blower and complaint references of all kinds, including alleged fraud by or against the Company, abuse of authority, misbehavior, ill treatment and unfair treatment of all kinds including all allegations and charges of harassment, sexual or otherwise, whether made by a named complainant or anonymously. Complaints which are prima facie frivolous in the view of the Whistle Blower Committee of the Company or other committee or group of individuals responsible for investigating complaints and taking suitable action may be closed with appropriate reasons recorded. If any of the members of the Audit Committee have a conflict of interest in a given case, they should recuse themselves and the others on the Audit Committee would deal with the matter on hand.

p) Review other matters

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

q) Reporting to Board

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

r) Investigation

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

s) Seek information / advice

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

t) Approval for appointment of Chief Financial Officer

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

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

Review and monitor, with the management, the statement of uses/ application of funds raised through an issue (public, rights, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document/

prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of the public issue or rights issue, and make appropriate recommendations to the Board.

v) Review of other Information

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operation.
2. Statement of significant (material) related party transactions submitted by the management.
3. Management letters/letters of internal control weaknesses issued by the statutory auditors.
4. Internal audit reports relating to internal control weaknesses.
5. The appointment, removal and terms of remuneration of the chief internal auditor of the Company.
6. Inter-corporate loans and investments.
7. Valuation of undertakings and assets of the Company whenever necessary.

w) Basis of Related Party Transactions

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

Explanation: (a) The term "Related Party Transactions" shall have the meaning as contained under Section 188 of the Companies Act, 2013 and Clause 49 of the Listing Agreement which are currently in force or as may be amended from time to time.

(b) The term "Related Party" shall be as defined under Section 2(76) of the Companies Act, 2013 and Clause 49 of the Listing Agreement which are currently in force or as may be amended from time to time.

x) To attend Annual General Meeting

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

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

y) Subsidiary Companies

The Audit Committee of the holding company shall also review the financial statements, in particular the inter-corporate loans and investments made by or in the subsidiary companies.

z) Reporting of Fraud by the Auditors

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

aa) Cost Auditor

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

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

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

ac) Registered Valuer

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

Eight meetings of the Audit Committee were held during the year. These were held on July 19, 2013, July 29, 2013, September 30,

2013, October 15, 2013, December 19, 2013, January 14, 2014, April 4, 2014 and April 15, 2014.

Attendance details of each member at the Audit Committee meetings held during the year ended June 30, 2014 are as follows:

Name of the Committee Member	Position	Number of Meetings held	Number of Meetings attended
Mr. Amal Ganguli	Chairman	8	8
Mr. Keki Mistry#	Member	4	3^
Ms. Robin Ann Abrams	Member	8	8^^
Mr. Srinivasan Madhavan	Member	8	8
Mr. Subroto Bhattacharya*	Member	5	-

* Mr. Subroto Bhattacharya ceased to be the member w.e.f. December 27, 2013.

Mr. Keki Mistry became the member of Audit Committee w.e.f. October 15, 2013.

^ includes 1 meeting attended through conference call.

^^ includes 4 meetings attended through conference call.

2. Corporate Social Responsibility Committee

As per the Companies Act, 2013, all companies having a net worth of ₹500 crores or more, or turnover of ₹1,000 crores or more or a net profit of ₹5 crores or more during any financial year will be required to constitute a Corporate Social Responsibility (CSR) Committee of the Board consisting of three or more directors, atleast one of whom shall be an independent director.

Accordingly, the Board on April 15-17, 2014 constituted the CSR Committee comprising the following members:

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

Terms of Reference

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

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

3. Nomination and Remuneration Committee

The Board merged the existing Nominations Committee and Compensation Committee in its meeting held on April 15 & 17, 2014 in light with the provisions of the Companies Act, 2013 and named it as "Nomination and Remuneration Committee" which consists of the following members:

- Mr. Ramanathan Srinivasan (Chairman)
- Ms. Robin Ann Abrams
- Mr. Srikant Madhav Datar
- Mr. Shiv Nadar
- Ms. Roshni Nadar Malhotra*

* Ms. Roshni Nadar Malhotra became the member of the committee w.e.f. June 24, 2014.

Terms of Reference

The Terms of Reference of the Nomination and Remuneration Committee are as under:

- a) Succession planning for certain key positions in the Company viz. Directors, Chief Executive Officer (CEO), Chief Operating Officer (COO), Chief Financial Officer (CFO) and Senior Management. The Committee to identify, screen and review candidates, inside or outside the Company and provide its recommendations to the Board.

- b) Review and recommend to the Board the appointment and removal of directors/Key Managerial Personnel and persons in senior management.

"Senior Management" shall mean corporate officers of the Company.

- c) Carry out evaluation of all Directors and Board performance.
- d) Recommend to the Board a policy relating to remuneration of Directors, Key Managerial Personnel and other employees.

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

1. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
 2. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 3. Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
- e) Formulate the criteria for determining the qualifications, positive attributes and independence of directors.
 - f) Devising a Policy on Board Diversity.
 - g) Review and approve/recommend the remuneration for the Corporate Officers, Whole-Time Directors of the Company.
 - h) Approve inclusion of senior officers of the Company as Corporate Officers.
 - i) Approve promotions within the Corporate Officers.
 - j) Regularly review the Human Resource function of the Company.
 - k) Approve grant of stock options to the employees and / or Directors (excluding Independent Directors and Promoter Directors) of the Company and subsidiary companies and perform such other functions and take such decisions as are required under the various Employees' Stock Option Plans of the Company.

- l) Discharge such other function(s) or exercise such power(s) as may be delegated to the Committee by the Board from time to time.

- m) Make reports to the Board as appropriate.

- n) Review and reassess the adequacy of this charter periodically and recommend any proposed changes to the Board for approval from time to time.

During the year under review, one meeting of erstwhile Nominations Committee was held on July 28, 2013 and five meetings of the erstwhile Compensation Committee were held via conference call on July 22, 2013, October 15, 2013, December 15, 2013, January 6, 2014 and April 8, 2014.

Attendance details of each member at the erstwhile Nominations Committee meeting held, before its merger into Nomination and Remuneration Committee, during the year ended June 30, 2014 are as follows:

Name of the Committee Member	Position	Number of Meetings held	Number of Meetings attended
Mr. Shiv Nadar	Chairman	1	1
Mr. Ramanathan Srinivasan	Member	1	1

Attendance details of each member at the erstwhile Compensation Committee meetings held via conference call, before its merger into Nomination and Remuneration Committee, during the year ended June 30, 2014 are as follows:

Name of the Committee Member	Position	Number of Meetings held	Number of Meetings attended
Mr. Ramanathan Srinivasan	Chairman	5	5
Ms. Robin Ann Abrams	Member	5	5
Mr. Srikant Madhav Datar	Member	5	5

Remuneration Policy and criteria of making payments to Executive and Non-Executive Directors

The remuneration policy of the Company is aimed at rewarding performance, based on review of achievements on a regular basis and is in consonance with the existing industry practices.

The criteria for making payments to Executive and Non-Executive Directors of the Company are as under:

Executive Directors:

The remuneration of the Executive Directors is recommended by the Nomination and Remuneration Committee to the Board and after approval by the Board the same is put up for the shareholders' approval. Executive Directors do not receive any sitting fees for attending the Board and Committee meetings.

During the year, the composition of the Board consisted of 2 Executive Directors viz. Mr. Shiv Nadar and Mr. Vineet Nayar. Mr. Vineet Nayar ceased to be the Executive Director w.e.f. July 31, 2013. There are no separate provisions for the service of notice period and payment of severance fee by the Executive Directors at the time of their termination. The remuneration paid to Mr. Shiv Nadar for the year ended June 30, 2014 from the Company/subsidiaries and to Mr. Vineet Nayar for the part of the year from the Company is as under:

Remuneration to Mr. Shiv Nadar from the Company:

Particulars	₹ in crores
Salary	1.80
Allowances and Perquisites	10.05
Contribution to Provident Fund	0.22
Total	12.07

In addition, Mr. Shiv Nadar received ₹ 4.71 crores as salary and perquisites from the subsidiaries of the Company. The overall compensation is in accordance with the approval given by the Board and Shareholders of the Company.

Remuneration to Mr. Vineet Nayar from the Company:

Particulars	₹ in crores
Salary	0.20
Allowances and Perquisites	1.25
Contribution to Provident Fund	0.02
Total	1.47

Mr. Vineet Nayar was Executive Director of the Company for part of the year and he ceased to be the Executive Director w.e.f. July 31, 2013.

Mr. Vineet Nayar was also granted Stock Options of the Company. The details of the same as on June 30, 2014 are as under:

Grant Date	Number of Options Granted*	Grant Price Per Option (₹)	Vesting Details#		Options Exercised so far
			No. of options Vested/ to be vested	Vesting Dates	
24-Oct-2005	7,50,000	8.00	2,50,000	01-Jul-2008	2,50,000
			2,50,000	01-Jul-2009	2,50,000
			2,50,000	01-Jul-2010	2,50,000
24-Aug-2009	1,75,000	8.00	1,75,000	31-Aug-2010	1,75,000
19-Oct-2010	12,50,000	8.00	2,50,000	01-Jan-2012	2,50,000
			2,50,000	01-Jan-2013	2,50,000
			2,50,000	01-Jan-2014^	Forfeited
			2,50,000	01-Jan-2015^	Forfeited
			2,50,000	01-Jan-2016^	Forfeited

* Each option entitles 4 equity shares of face value of ₹2 each.

The options are exercisable within 5 years from the date of vesting.

^ Mr. Vineet Nayar ceased to be the Executive Director of the Company w.e.f. July 31, 2013 and accordingly the options not vested got forfeited.

Non-Executive Directors:

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

The sitting fees and commission paid / payable to the Non-Executive Directors for the year ended June 30, 2014 are as under:

Name of the Director	Sitting Fees for the year ended June 30, 2014	Commission for the year ended June 30, 2014
	₹ in lacs	
Mr. Amal Ganguli	3.40	39.00
Mr. Keki Mistry	1.60	30.00
Mr. Ramanathan Srinivasan	0.60	51.00
Ms. Robin Ann Abrams	1.80	51.00
Ms. Roshni Nadar Malhotra	-	23.00
Dr. Sosale Shankara Sastry	0.60	45.00
Mr. Srikant Madhav Datar	0.60	45.00
Mr. Subramanian Madhavan	2.80	31.00
Mr. Sudhindar Krishan Khanna	1.80	29.00

Note:- The service tax on commission amounting to ₹42.52 lacs shall be paid by the Company.

There were no other pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Company.

4. Finance Committee

The Finance Committee consists of the following members:

- Mr. Amal Ganguli (Chairman)
- Mr. Shiv Nadar
- Mr. Ramanathan Srinivasan
- Mr. Sudhindar Krishan Khanna

Terms of Reference

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

- To review and approve the capital structure plans and specific equity and debt financings and recommend the same for approval to the Board.
- To review and approve the annual budgets and other financial estimates and provide its recommendations to the Board.
- To review the actual performance of the Company against the budgets.
- To review and approve the capital expenditure plans and specific capital projects and recommend the same to the Board for approval.
- To evaluate the performance of and returns on approved capital expenditure.
- To consider and approve the proposal which involves funding assets on operating and / or financial lease in the normal course of business.
- To review and approve the proposals for mergers, acquisitions and divestitures and provide its recommendations to the Board.
- To evaluate the performance of acquisitions.
- To consider and approve the proposals for fresh investments by way of infusion of capital and/or providing of loan and any further investments (by capital / loan) in wholly owned subsidiaries / Branches and providing any guarantees for funding the same.

- j) To evaluate the performance of subsidiaries / JVs / Branches.
- k) To plan and strategize for managing the foreign exchange exposure - The Committee to approve the hedging policy and monitor its performance.
- l) To approve the investment policy and review the performance thereof.
- m) To recommend dividend policy to the Board.
- n) To review and approve the insurance coverage and program for the Company.
- o) To consider and approve the guarantees / bonds provided by the Company either directly or through banks in connection with the Company's business.
- p) To approve opening / closing of bank accounts of the Company and change in signatories for operating the bank accounts.
- q) To perform any other activities or responsibilities assigned to the Committee by the Board of Directors from time to time.
- r) To delegate authorities from time to time to the Executives / Authorised persons to implement the decisions of the Committee within the powers authorised above.

During the year under review, the Committee met 3 times.

5. Stakeholders' Relationship Committee

The existing Shareholders' Committee was renamed as "Stakeholders' Relationship Committee" by the Board in its meeting held on April 15 & 17, 2014 in light with the provisions of the Companies Act, 2013. During the year, the Stakeholders' Relationship Committee was re-constituted and consists of the following members:

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

**Mr. S. Madhavan and Ms. Roshni Nadar Malhotra were appointed as members of the Committee w.e.f. October 15, 2013 and January 14, 2014 respectively.*

Mr. Vineet Nayar and Mr. Subroto Bhattacharya ceased to be member of the Committee w.e.f. December 27, 2013.

Terms of Reference

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

- a) To review and take all necessary actions for redressal of grievances and complaints of security holders as may be required in the interests of the security holders.
- b) To approve requests of rematerialisation of shares/ securities, issuance of split and duplicate shares/security certificates.

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

Name, Designation and Address of Compliance Officer

Mr. Manish Anand
Associate Vice President & Company Secretary
HCL Technologies Limited
A-10 & 11, Sector - 3,
Noida - 201301 U.P., India
Tel. +91-120-2520917 / 937 / 997
Fax: +91-120-2526907
E-mail: manishanand@hcl.com

Investors' Grievances

The following table shows the Shareholders' complaints received during the year 2013-14:

Source of Complaint	Received	Resolved
Directly from the Investors	18	18
Through SEBI, Stock Exchanges, etc.	3	3
Total	21	21

6. Employees' Stock Option Allotment Committee

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

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

^ Mr. Subramanian Madhavan was appointed as a member of the Committee w.e.f. October 15, 2013.

Mr. Vineet Nayar and Mr. Subroto Bhattacharya ceased to be members of the Committee w.e.f. December 27, 2013.

The role of this Committee is to allot shares to the employees who have exercised their stock options under the Stock Option Plans of the Company.

During the year under review, the Committee met 19 times.

7. Risk Management Committee

The Risk Management Committee was in existence to review and perform the Risk Management Functions. In compliance with the provisions of the Companies Act, 2013, the Board conferred the terms of reference of Risk Management Committee on Audit Committee in its meeting held on April 15-17, 2014 and consequently the Risk Management Committee was dissolved.

Thereafter, pursuant to the circular no. CIR/CFD/POLICY CELL/ 2014 dated April 17, 2014 of Securities and Exchange Board of India, the Board in its meeting held on July 29-31, 2014 re-constituted the Risk Management Committee.

The Risk Management Committee consists of the following members:

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

Terms of Reference

The Terms of Reference of the Risk Management Committee are as follows:

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

Internal Auditor, the Company's internal Risk management team and any external expert advisors considered necessary for any task and they will provide their findings to the Committee.

Succession Planning

Succession Planning aids the Company in identifying and developing internal people with the potential to fill certain key positions in the Company viz. Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and Senior Management. It increases the availability of experienced and capable employees that are prepared to assume these roles as they become available. Succession Planning is a part of the charter of the Nomination and Remuneration Committee of the Company. The Committee shall identify, screen and review candidates, inside or outside the Company and provide its recommendations to the Board.

Independence of Statutory Auditors

The Board ensures that the statutory auditors of the Company are independent and have arm's length relationship with the Company.

Materially significant related party transactions

There have been no materially significant related party transactions, monetary transactions or relationships between the Company and its directors, management, subsidiary or relatives, except for those disclosed in the financial statements for the year ended June 30, 2014.

Code of Business Ethics and Conduct

The Board has prescribed a Code of Business Ethics and Conduct (COBEC) that provides for transparency, ethical conduct, a gender friendly workplace, legal compliance and protection of Company's property and information. COBEC is a set of guiding principles and covers all directors, employees, third party vendors, consultants and customers across the world. For Independent Directors COBEC also includes duties as mentioned in Schedule IV of the Companies Act, 2013. COBEC is periodically reviewed taking into account the prevailing business and ethical practices. The code is also posted on the website of the Company.

All Board members and senior management personnel have confirmed compliance with the Code for the year 2013-14. A declaration to this effect signed by the Chairman and Chief Strategy Officer and Chief Executive Officer of the Company is provided elsewhere in this Report.

Code for Prevention of Insider Trading

The Company has comprehensive guidelines on prevention of insider trading in line with the SEBI (Prohibition of Insider Trading) Regulations, 1992. The Code for prevention of Insider Trading inter-alia prohibits purchase/sale of shares of the Company by employees/directors while in possession of unpublished price sensitive information in relation to the Company. The Company within two working days of receipt of the information under the Initial and Continual disclosures from Directors shall disclose the same to all the Stock Exchanges, where the shares of the Company are listed.

Anti-Bribery Policy and Anti-Corruption Policy

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

Prevention and Redressal of Sexual Harassment at Work Place Policy

In order to provide a safe and healthy work environment free of any and all kinds of harassment including sexual harassment and to prevent and redress such harassment complaints, the Company has in place Prevention and Redressal of Sexual Harassment at Work Place Policy. This policy applies to all employees of the Company, its group companies and joint ventures operating out of India like regular, temporary, ad hoc, daily wagers, contractual staff, vendors, clients, consultants, trainees, probationers, apprentices, contract labour and also all visitors to the Company. Any complaints about harassment shall be treated under this policy. This Policy is not confined to the actual working place of the employees in the sense of the physical space in which paid work may be performed as per the prescribed duty hours but also includes any place visited by the employee arising out of or during course of employment. The Company has constituted a committee for the redressal of all sexual harassment complaints. These matters are also being reported to the audit committee.

Whistle Blower Policy

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

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

The Institute of Company Secretaries of India, one of the premier professional bodies in India, has issued secretarial standards on

important aspects like board meetings, general meetings, payment of dividend, maintenance of registers and records, minutes of meetings, transmission of shares and debentures, passing of resolution by circulation, affixing of common seal, forfeiture of shares and board's report. Although these standards are optional in nature, the Company however substantially adheres to the standards voluntarily.

General Body Meetings

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

Financial Year	Date	Time	Venue	Details of Special Resolution passed
2010-11	November 02, 2011	3.00 P.M.	Air Force Auditorium, Subroto Park, New Delhi -110010	-
2011-12	October 22, 2012	11.00 A.M.	FICCI Auditorium, Federation House, 1 Tansen Marg, New Delhi-110001	-
2012-13	December 27, 2013	11.00 A.M.	FICCI Auditorium, Federation House, 1, Tansen Marg, New Delhi-110001	Approval u/s 309(4)(b) of the Companies Act, 1956 for payment of commission not exceeding one percent of net profits of the Company to all the Non-executive Directors of the Company collectively in each financial year over a period of five years beginning from July 1, 2013.

During the year, no resolution was passed through Postal Ballot and no resolution has presently been approved by the Board which is proposed to be passed through Postal Ballot.

Subsidiary companies

During the year, none of the subsidiaries was a material non-listed Indian subsidiary company as per the criteria given in clause 49 of the Listing Agreement. The Audit Committee of the Company reviews the financial statements and investments made by the unlisted subsidiary companies. The minutes of the board meetings as well as the statements of significant transactions and arrangements entered into by the unlisted subsidiary companies, if any, are placed before the Board of Directors of the Company from time to time.

CEO / CFO Certification

The Certificate as stipulated in clause 49(V) of the Listing Agreement was placed before the Board along with the financial statements for the year ended June 30, 2014 and the Board reviewed the same. The said Certificate is provided elsewhere in the Annual Report.

Disclosures

a) Related party transactions

During the year under review, the Company has not entered into any transaction of a material nature with its subsidiaries, promoters, directors, the management, senior management personnel, their relatives, etc., that may have any potential conflict with the interest of the Company. The Company has obtained requisite declarations from all directors and senior management personnel in this regard and the same were placed before the Board of Directors.

b) Compliances by the Company

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

c) Other Disclosures

The Company has in place the Whistle Blower Policy and no personnel has been denied access to the audit committee.

During the year, the Company did not raise any money through public issue, right issues or preferential issues and there was no unspent money raised through such issues.

Means of Communication

a) Quarterly Results: Quarterly Results of the Company are generally published inter-alia, in Financial Express and Jansatta newspapers.

b) Website: Company's corporate website www.hcltech.com provides comprehensive information on Company's portfolio of businesses. The website has entire section dedicated to Company's profile, its core values, corporate governance, business lines and Industry sections. An exclusive section on 'Investors' enables them to access information at their convenience. The entire Reports as well as quarterly, half yearly, annual financial statements, releases and shareholding pattern are available in downloadable format as a measure of added convenience to the investors.

c) News Releases, Presentations, etc.: Official news releases, detailed presentations made to media, analysts, institutional investors, etc. are displayed on the Company's website www.hcltech.com. Official media releases are also sent to the Stock Exchanges.

d) Annual Report: Annual Report containing, inter-alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditor's Report, Management Discussion and Analysis Statement, Corporate Governance Report and other important information is circulated to members and others entitled thereto. The Annual Report of the Company is available on the Company's website in a user-friendly and downloadable form.

e) Intimation to the Stock Exchanges: The Company intimates the Stock Exchanges all price sensitive information or such other matters which in its opinion are material and of relevance to the Shareholders.

f) NSE Electronic Application Processing System: As per the mandate received from the National Stock Exchange of India Limited ('NSE'), the Company has been uploading its financial information, shareholding pattern, Report on Corporate Governance and press releases on the dedicated website of NSE i.e. <https://www.connect2nse.com/LISTING/>.

g) Online Portal-BSE Corporate Compliance & Listing Centre: As per the mandate received from BSE Limited ('BSE'), the Company has been uploading its financial information, shareholding pattern, Report on Corporate Governance and press releases on the dedicated website of BSE i.e. <https://listing.bseindia.com>.

h) Designated Exclusive email-id: The Company has the following designated email-id investors@hcl.com exclusively for investors servicing.

Green Initiatives Drive by the Ministry of Corporate Affairs, Government of India

The Company, as a corporate entity, is committed to protect and conserve the natural environment in our operations and services. As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' taken by the Ministry of Corporate Affairs, Government of India, enabling electronic delivery of documents to the shareholders at their e-mail addresses registered with the Depository participants/Registrar & Share Transfer Agent.

Electronic copies of Annual Report-2014 and notice of the Twenty Second Annual General Meeting (AGM) will be sent to all the members whose email addresses are registered with the Company/ Depository Participant(s). For members who have not registered their email addresses, physical copies of the Annual Report-2014 and notice of twenty second AGM shall be sent in the permitted mode. Members requiring physical copies can send a request to the Company Secretary.

The Company sends the communications to the shareholders by electronic mode. We request all the shareholders of the Company to register their email addresses with their depository participants to ensure that the Annual Report and other documents reaches them on their preferred email address. Shareholders who hold shares in physical form are requested to register their email addresses with the Registrar and Share Transfer Agent, by sending a letter duly signed by the first / sole holder quoting details of Folio number.

Investor Relations - Enhancing Investor Dialogue

As a listed entity and a responsible corporate citizen, the Company recognizes the imperative to maintain continuous dialogue with the investor community. The objective of investor interface is to keep investors abreast of significant developments that determine Company's overall performance while at the same time addressing investor concerns. This translates into disseminating timely, accurate and relevant information that helps investors in making informed investment decisions.

To ensure effective communication, the Investor Relations Division effectively provides comprehensive information in the form of Annual Reports, Quarterly Earnings Reports, Investor Releases and also on the Company Website (Investor Relations page weblink: <http://www.hcltech.com/investors/fast-facts>). Additionally Conference calls, Management Interviews, Face to Face Investor meetings and Annual General Meetings ensure a direct interaction with the Management Team.

The Company management is focused on building investor relations on the pillars of trust, consistency and transparency. Our proactive approach has enabled the investor community to better understand the nature of our business, Management Strategies and Operational Performance over a period of time.

Investors Satisfaction Survey

It is our constant endeavor to improve the standard of our investor services. The Company has stipulated internal timeframes for responding to investors' correspondence and adherence thereof is monitored by the Stakeholders' Relationship Committee (Formerly known as Shareholders' Committee).

In pursuit of excellence in Corporate Governance and to constantly improve standards of service, communication and disclosures; during the year we conducted a small survey to assess the requirement and satisfaction of valuable investors on the following parameters:

1. Timely receipt of Annual Reports, Dividend and other documents.
2. Response time and satisfaction level experienced in Transfer/ Transmission of shares, change of address, revalidation of dividend warrants etc.
3. Quality of information in Annual Report and Investor Section of Company's website.
4. Interaction with Company's officials.
5. Interaction with Registrar and Transfer Agents.
6. Overall rating of our investor services.

The shareholders were asked to respond with any one of the following ratings:

- Excellent
- Good
- Needs Improvement

Approx. 91% of the shareholders have given the rating "Good" or "Excellent".

General Shareholder Information

a.	Annual General Meeting: Date Time Venue	:	December 4, 2014 11:00 a.m. FICCI Auditorium, Federation House, 1, Tansen Marg, New Delhi-110001
b.	Financial Year	:	1 July - 30 June
c.	Date of Book Closure	:	November 23, 2014 to November 24, 2014 (both days inclusive)
d.	Dividend Payment Date	:	N.A.
e.	Listing of Equity Shares on stock exchanges in India at	:	The National Stock Exchange of India Ltd. (NSE) Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra East, Mumbai - 400 051, India. Tel.: +91-22-26598236, Fax: +91-22-26598237 BSE Ltd. (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001, India Tel.: +91-22-22721233, Fax: +91-22-22723121
f.	Stock Codes	:	NSE - HCLTECH BSE - 532281
g.	ISIN for Equity Shares	:	INE860A01027
h.	Listing of Non-Convertible Debentures on stock exchanges in India at	:	The Wholesale Debt Market Segment of NSE
i.	Debenture Trustee	:	IDBI Trusteeship Services Limited Asian Building, Ground Floor, 17, R Kamani Marg, Ballard Estate Mumbai 400 023
j.	ISIN for Debentures	:	INE860A07032
k.	Listing Fees	:	Paid to all Stock Exchanges for the year 2014-15
l.	Corporate Identification Number (CIN) of the Company	:	L74140DL1991PLC046369
m.	Registered Office	:	806, Siddharth, 96, Nehru Place, New Delhi - 110 019, India Tel.: +91-11-26444812, Fax: +91-11-26436336 website: www.hcltech.com

n. Stock Market Price Data

The details of monthly high and low price of the Equity Shares of the Company and its comparison to broad based indices BSE Sensex and NSE Nifty for fiscal year 2013-14 are as follows:

Month	Share price on BSE		BSE-Sensex	
	High (₹)	Low (₹)	High (₹)	Low (₹)
July 2013	949.00	756.00	20351.06	19126.82
August 2013	1044.00	872.00	19569.20	17448.71
September 2013	1104.30	985.00	20739.69	18166.17
October 2013	1177.00	1034.00	21205.44	19264.72
November 2013	1138.00	1044.00	21321.53	20137.67
December 2013	1269.00	1082.85	21483.74	20568.70
January 2014	1470.00	1241.45	21409.66	20343.78
February 2014	1588.65	1365.00	21140.51	19963.12
March 2014	1573.20	1371.60	22467.21	20920.98
April 2014	1462.15	1337.05	22939.31	22197.51
May 2014	1454.55	1257.00	25375.63	22277.04
June 2014	1507.00	1303.00	25688.31	24270.20

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

Month	Share price on NSE		NSE-Nifty	
	High (₹)	Low (₹)	High (₹)	Low (₹)
July 2013	949.90	755.80	6093.35	5675.75
August 2013	1044.90	871.70	5808.50	5118.85
September 2013	1590.00	984.25	6142.50	5318.90
October 2013	520.75	471.45	6309.05	5700.95
November 2013	1137.90	1043.00	6342.95	5972.45
December 2013	1270.00	1082.40	6415.25	6129.95
January 2014	1469.90	1240.15	6358.30	6027.25
February 2014	1590.00	1364.00	6282.70	5933.30
March 2014	1576.00	1371.25	6730.05	6212.25
April 2014	1463.80	1335.00	6869.85	6650.40
May 2014	1455.00	1256.00	7563.50	6638.55
June 2014	1508.00	1301.60	7700.05	7239.50

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

o. Registrar and Share Transfer Agent:

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

p) Share Transfer System

99.95% of the equity shares of the Company are in electronic form. Transfers of these shares are done through the depositories with no involvement of the Company. For the transfer of shares held in physical form, the authority has been delegated to the Company's officials who generally consider and approve the share transfer requests on a fortnightly basis.

The shares sent for physical transfer are generally registered and returned within a period of 15 days from the date of receipt of request, subject to documents being valid and complete in all respects. As per the requirement of clause 47(c) of the Listing Agreement with the Stock Exchanges, the Company has obtained half-yearly certificates from Practicing Company Secretary for due compliance of share transfer formalities and filed the same with the Stock Exchanges.

As on June 30, 2014, no equity share was pending for transfer.

q) Reconciliation of Share Capital Audit Report

As required under Regulation 55A of SEBI (Depositories and Participants), Regulations, 1996, the reconciliation of share capital on the total admitted capital with National Securities Depository Limited ("NSDL") and Central Depository Services (India) Ltd. ("CDSL") and the total issued and listed capital for each of the quarters in the financial year ended June 30, 2014 was carried out. The audit reports confirm that the total issued / paid-up share capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

r) Shareholding as on June 30, 2014

i) Distribution of shareholding as on June 30, 2014

Number of Equity Shares held	No. of Shareholders	Shareholders (%)	No. of Shares	Shares (%)
1 - 100	70,902	79.23%	2,065,237	0.30%
101 - 200	8,493	9.49%	1,447,510	0.21%
201 - 500	4,625	5.17%	1,591,694	0.23%
501 - 1000	1,618	1.81%	1,210,369	0.17%
1001 - 5000	2,076	2.32%	5,088,890	0.73%
5001 - 10000	528	0.59%	3,774,809	0.54%
10001 and above	1,246	1.39%	684,797,872	97.83%
Total	89,488	100.00	699,976,381	100.00

ii) Categories of equity shareholders as on June 30, 2014

Category	Number of shares held	Voting Strength (%)
Promoters	431,497,894	61.64%
Mutual Funds/ UTI	17,279,792	2.47%
Financial Institutions/ Banks	324,050	0.05%
Insurance Companies	8,532,322	1.22%
Foreign Institutional Investors	201,941,419	28.85%
Foreign Banks	600	0.00%
Bodies Corporate	14,358,938	2.05%
Individuals	17,782,185	2.54%
NRIs / OCBs	2,486,688	0.36%
Foreign Nationals	43,396	0.01%
Trusts	417,591	0.06%
Foreign Corporate Body	3,807,201	0.54%
HUF	172,110	0.02%
Clearing Members	1,332,195	0.19%
Grand Total	699,976,381	100.00%

s) Dematerialization of Shares and liquidity

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

The system for getting the shares dematerialized is as under:

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

As on June 30, 2014, about 99.95% of the equity shares issued by the Company are held in dematerialized form.

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

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

Company's ISIN in NSDL & CDSL for Debentures: INE860A07032.

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

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

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

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

Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, the dividend amounts which have remain unpaid or unclaimed for a period of seven years from the date of declaration have been transferred by the Company to the Investor Education and Protection Fund ("IEPF") established by the Central Government pursuant to Section 205C of the said Act. Shareholders who have not encashed their dividend warrants relating to the dividend specified in Table below are requested to immediately send their request for issue of duplicate warrants. Once unclaimed dividend is transferred to the IEPF, no claim shall lie in respect thereof either with the Company or IEPF:

Financial Year	Type of Dividend	Date of Declaration	Due Date for transfer to IEPF
2006-07	Final	December 13, 2007	January 12, 2015
2007-08	1st Interim	October 16, 2007	November 15, 2014
	2nd Interim	January 17, 2008	February 18, 2015
	3rd Interim	April 15, 2008	May 18, 2015
	Final	October 22, 2008	November 24, 2015
2008-09	1st Interim	October 15, 2008	November 17, 2015
	2nd Interim	January 23, 2009	February 23, 2016
	3rd Interim	April 21-22, 2009	May 22, 2016
	Final	December 08, 2009	January 07, 2017
2009-10	1st Interim	October 27-28, 2009	November 27, 2016
	2nd Interim	January 24-25, 2010	February 24, 2017
	3rd Interim	April 20-21, 2010	May 21, 2017
	Final	October 28, 2010	November 27, 2017
2010-11	1st Interim	October 19-20, 2010	November 19, 2017
	2nd Interim	January 18-19, 2011	February 18, 2018
	3rd Interim	April 19-20, 2011	May 20, 2018
	Final	November 02, 2011	December 02, 2018
2011-12	1st Interim	October 17-18, 2011	November 17, 2018
	2nd Interim	January 16-17, 2012	February 18, 2019
	3rd Interim	April 16-18, 2012	May 21, 2019
	Final Dividend	October 22, 2012	November 24, 2019
2012-13	1st Interim	October 15 & 17, 2012	November 19, 2019
	2nd Interim	January 15 & 17, 2013	February 17, 2020
	3rd Interim	April 15 & 17, 2013	May 17, 2020
	Final	December 27, 2013	January 30, 2021
2013-14	1st Interim	October 15 & 17, 2013	November 16, 2020
	2nd Interim	January 14 & 16, 2014	February 15, 2021
	3rd Interim	April 15 & 17, 2014	May 17, 2021

v) Financial Calendar (tentative and subject to change)

Financial reporting for the first quarter ending September 30, 2014	October 16-17, 2014
Financial reporting for the second quarter ending December 31, 2014	January 22-23, 2015
Financial reporting for the third quarter ending March 31, 2015	April 15-16, 2015
Financial reporting for the year ending June 30, 2015	July 29-30, 2015
Annual General Meeting for the year ending June 30, 2015	October-November, 2015

w) Address for Shareholders' correspondence

The Secretarial Department
HCL Technologies Limited
A-10 & 11, Sector - 3,
Noida - 201 301 U.P., India
Tel. +91-120-2520917 / 937 / 997
Fax: +91-120-2526907
E-mail: investors@hcl.com

x) Compliance Certificate on the Corporate Governance from the Auditors

The certificate dated July 31, 2014 obtained from Statutory Auditors of the Company, M/s. S.R. Batliboi & Co. LLP, confirming compliance with the Corporate Governance requirements as stipulated under clause 49 of the Listing Agreement, is annexed hereto.

y) Centers' Locations
Chennai - Centers

50-53, Grems Road
Chennai-600 006, India
Tel. :+91-44-2829 3298
Fax :+91-44-2829 4969

158, Arcot Road, Vadapalani
Chennai-600 026, India
Tel. :+91-44-2375 0171
Fax :+91-44-2375 0185

49-50, Nelson
Manickam Road
Chennai-600 029, India
Tel. :+91-44-2374 1939
Fax :+91-44-2374 1038

No.184-188, 190,192 & 196
Arcot Road, Vadapalani
Chennai-600 026, India
Tel. :+91-44-2372 9000
Fax :+91-44-2480 6640

Arihant Technopolis
4/293 Old Mahabalipuram Road
Kandanchavadi
Chennai-600 096, India
Tel. :+91-44-4395 7777
Fax :+91-44-4359 3445

73-74, South Phase
Ambattur Industrial Estate
Ambattur (AMB-5)
Chennai-600 058, India
Tel. :+91-44-4393 5000
Fax :+91-44-4206 0441

64 & 65, Second Main Road
Ambattur Industrial Estate,
Ambattur (AMB-3)
Chennai-600 058, India
Tel. :+91-44-2613 3300
Fax :+91-44-4218 0653

D-12, 12B, Ambattur Industrial
Estate, Ambattur (AMB-1)
Chennai-600 058, India
Tel. :+91-44-2623 0711
Fax :+91-44-2624 4213

8, South Phase, MTH Road,
Ambattur Industrial Estate
Ambattur (AMB-6)
Chennai-600 058, India
Tel. :+91-44-4396 8000
Fax :+91-44-4396 7004

78-Ambattur Industrial Estate
Ambattur (AMB-2)
Chennai-600 058, India
Tel. :+91-44-2623 2318
Fax :+91-44-6107 7555

94, South Phase
Ambattur Industrial Estate,
Ambattur (AMB-4)
Chennai-600 058, India
Tel. :+91-44-4226 2222
Fax :+91-44-4215 3333

Unit-2, Block-1, No. 84,
Grems Road
Thousand Lights
Chennai-600 006, India
Tel. :+91-44-6622 5522

Chennai SEZ

Module 1, Tower 1,
Floor Nos. 1 & 6,
"Chennai One" SEZ Unit
ETL Infrastructure Services Ltd.,
200 Ft, Thoraipakkam,
Pallavaram Ring Road,
Thoraipakkam,
Chennai-600 096
Tel. :+91-44-6630 1000

ETA-Techno Park
SPECIAL ECONOMIC ZONE,
33, Rajiv Gandhi Salai, Navallur Village
and Panchayat, Thiruporur Panchayat
Union, Chengalpet Taluk,
Kanchipuram Dist, Chennai-603 103
Tel. :+91-44-4746 1000
Fax :+91-44-6741 2222

ELCOT-SEZ
Special Economic Zone,
602/3, 138, Shollinganallur Village,
Shollinganallur-Medavakkam
High Road, Tambaram Taluk,
Kancheepuram (Dist),
Chennai-600 119,
Tel. :+91-44-6105 0000
Fax :+91-44-4332 5443

Coimbatore Center

Module 201 to 203,
Tidel Park Coimbatore Limited
ELCOT SEZ - IT/ITES
Villankurichi Road, Civil Aerodrome Post,
Coimbatore-641 004 India
Tel. :+91-0422-6657525
Fax :+91-0422-6657554

Gurgaon - Center

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

Plot No. 243, Udyog Vihar Phase 1,
Dundahera, Gurgaon-122 016
Haryana, India
Tel. :+91-0124-4421200

Kolkata Centers

SDF Building, 1st & 3rd Floors,
Module Nos. 212-214, 228-230 & 413,
Block-GP, Sector-V
Salt Lake, Kolkata-700 091, India
Tel. :+33-2357 3024-25
Fax :+33-2357 3027

M/s. Unitech Hi-Tech Structures Ltd.
Special Economic Zone-IT/ITES
Plot No.1, Block No. A2, 3rd & 4th Floors,
DH Street, 316 New Town, Rajarhat,
Dist. North 24 Parganas,
Kolkata-700 156, India
Tel. :+33-3027 2350

Noida Centers

A-9, 10 & 11, Sector 3,
Noida-201 301,
U.P., India
Tel. :+91-120-4013000
Fax :+91-120-2539799

A-5, Sector 24,
Noida-201 301,
U.P., India
Tel. :+91-120-4382020
Fax :+91-120-2411005

A-11, Sector 16,
Noida-201 301,
U.P., India
Tel. :+91-120-4383000
Fax :+91-120-2510713

C-22 A, Sector 57
Noida-201 301,
U.P., India,
Tel. :+91-120-4385000
Fax :+91-120-2586420

B-34 / 3, Sector 59,
Noida-201 301,
U.P., India
Tel. :+91-120-4364488
Fax :+91-120-2589688

C-49, Sec-57
Noida-201 301,
U.P. India,
Tel. :+91-120-3387000
Fax :+91-120-4120303

A-8 & 9, Sector 60
Noida-201 301,
U.P., India
Tel. :+91-120-4384000
Fax :+91-120-2582915

A - 22, Sector 60,
Noida-201 301,
U.P., India
Tel. :+91-120-4364200
Fax :+91-120-4347485

A-104, Sector 58,
Noida-201 301,
U.P., India
Tel. :+91-120-4061200
Fax :+91-120-2589667

F-8 & 9, Sector 3,
Noida-201 301
UP, India
Tel. :+91-120-4362100
Fax :+91-120-2525681

C-23, Sector 58,
Noida-201 301,
U.P., India
Tel. :+91-120-4364200
Fax :+91-120-2490428

A-2, Sector 3,
Noida-201 301,
U.P., India.
Tel. :+91-120-4362900
Fax :+91-120-2534773

Plot No 1 & 2, Noida Express Highway,
Sector-125, Noida-201 301, U.P., India
Tel. :+91-120-4046000
Fax :+91-120-4258946

B 39, Sector 1,
Noida-201 301,
U.P., India
Tel. :+91-120-4024700
Fax :+91-120-2425840

Noida SEZ

Noida Technology Hub (SEZ)
Plot No: 3A, Sector-126,
Noida-201 303, U.P., India
Tel. :+91-120-4683000
Fax :+91-120-4683030

Hyderabad Center

4th Floor, Pawani Plaza
No.6-3-698/A,
Panjagutta
Hyderabad-500 082
Tel. :+91-40-4202 7025

Hyderabad SEZ

Avance Business Hub
Tower: H08, Phoenix Infocity Pvt. Ltd.{SEZ},
HITEC CITY 2
Survey No.30, 34, 35 & 38
Hyderabad-500 081, India
Land Mark: Behind Cyber Gateway
Tel. :+91-40-3094 1000
Fax :+91-40-4027 3333

Bangalore - Centers

Vertex Tech Park
#564, Pattandur Agrahara Road
Off Whitefield Road, Next to ITPL
Bangalore-560 066, India
Tel. :+91-80-4187 3000
Fax :+91-80-4115 7474

#690, 5th & 6th Floor,
Gold Hill Square (GHS)
Bommanahalli,
Hosur Main Road,
Bangalore-560 068, India
Tel. :+91-80-4141 5000
Fax :+91-80-2572 7989

Surya Sappihre
Plot No:3
1st Phase Electronic City
Hosur Road
Bangalore-560 100, India
Tel. :+91-80-6626 7000
Fax :+91-80-2852 9100

#6, A.S. Chambers,
80 Feet Road,
6th Block, Koramangala,
Bangalore-560 095, India
Tel. :+91-80-6644 1000
Fax :+91-80-6644 1117

SJR Equinox, Survey No.47/8,
Dhodda Thogur Village,
Begur Hobli, Electronic City-1st phase,
Bangalore-560 100
Tel. :+91-80-33209000
Fax :+91-80-33208000

Bangalore SEZ
No. 129, Jigani Bomasandra,
Link Road, Jigani Industrial Area
Bangalore-562 106, India
Tel. :+91-80-6781 0000
Fax :+91-80-6631 1111

Pune Center

"Commerzone", Unit# 401, 4th Floor,
Building 7, Samrat Ashoka Path,
Opp. Airport Road, Yerwada,
Pune (Maharashtra)-411 006
Tel. :+91-20-67279000
Fax :+91-20-67279008

"The Chambers", Unit No.201,
2nd Floor Viman Nagar, Taluka Haveli,
Village Lohagaon
Pune-411 014
Tel. :+91-20-66438803
Fax :+91-20-66438802

Pune SEZ

Tower-7, Upper Ground Floor,
Wing A&B, Magarpatta SEZ
Hadapsar, Pune-400 013
Tel. :+91-20-3040 6300-01

Compliance with non-mandatory requirements of clause 49 of the Listing Agreement

Clause 49 of the Listing Agreement provides certain mandatory requirements which have to be fulfilled by the Company. The Clause further states certain non-mandatory requirements which may be implemented as per the discretion of the Company. We comply with the following non-mandatory requirements:

1. The Board

During the year under review, the tenure of Independent Directors on the Board of the Company was in accordance with Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

2. Remuneration Committee

The Nomination and Remuneration Committee (erstwhile Compensation Committee) of the Company is in existence from September, 1999. An independent non-executive director of the Company is the Chairperson of the Nomination and Remuneration Committee. Three members out of total five members of the Committee are independent non-executive directors. The details of the Nomination and Remuneration Committee are provided elsewhere in this Report.

3. Shareholders Rights

The Clause states that half-yearly declaration of financial performance including summary of the significant events in the last six months, may be sent to each shareholder.

We communicate with investors regularly through e-mail, telephone and face to face meetings either in investor's conferences, Company visits or on road shows.

We also leverage the internet in communicating with our investor's base. After the announcement of the quarterly results, a business television channel in India telecasts discussions with our Management. This enables a large number of retail investors in India to understand our operations better. The announcement of quarterly results is followed by media briefing in press conferences and earning conference calls. The earning calls are also webcast live on the internet. Further, transcripts of the earnings calls are posted on the website www.hcltech.com. We also publish our quarterly results in English and Hindi daily newspapers.

4. Audit Qualifications

It is always the Company's endeavor to present unqualified financial statements. There is no audit qualification in the Company's financial statements for the year ended June 30, 2014.

5. Training to Board Members

The Board has adopted a policy for training of new non-executive directors which shall inter-alia provide (a) orientation and presentations to the non-executive directors to enable them to get familiarized with the operations of the Company; (b) orientation on group structure, subsidiaries, constitution, Board procedures and matters reserved for the Board, major risks and risk management strategies, (c) training on corporate excellence and (d) briefing on the rights, duties and responsibilities as Director.

The Company believes that the Board be continuously empowered with the knowledge of the latest developments in the Company's businesses and the external environment affecting the industry as a whole. The non-executive directors are also provided with reports issued by the Company from time to time and internal policies to enable them to familiarize with the Company's procedures and practices. Independent Directors are regularly updated on performance of each line of business of the Company, state of the market, business strategy going forward and new initiatives being taken / proposed to be taken by the Company.

6. Mechanism for evaluating non-executive Board Members

In terms of the provisions of the Companies Act, 2013, the performance evaluation of the non-executive independent directors shall be done by the entire Board of Directors, excluding the director being evaluated. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director. Further, the Board has empowered the Nomination and Remuneration Committee to carry out the evaluation of all the Directors and Boards' performance.

7. Whistle Blower Policy

The Company has a Whistle Blower Policy for making a disclosure of any unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or Whistle Blower Policy. All cases registered under the Whistle Blower Policy of the Company are reported to the Whistle Blower Committee. The detail on the mechanism of the Whistle Blower Policy is provided elsewhere in this

Report.

AUDITORS' CERTIFICATE

REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE PURSUANT TO CLAUSE 49 (VII)(1) OF THE LISTING AGREEMENT

To
The Members of HCL Technologies Limited

We have examined the compliance of conditions of corporate governance by HCL Technologies Limited (the 'Company'), for the year ended on June 30, 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For S.R. BATLIBOI & CO. LLP
ICAI Firm Registration Number: 301003E
Chartered Accountants

per Tridibes Basu
Partner
Membership No.: 17401

Place: Gurgaon, Haryana
Date : July 31, 2014

DECLARATION BY CHIEF EXECUTIVE OFFICER PURSUANT TO CLAUSE 49(I)(D)(ii) OF THE LISTING AGREEMENT OF THE INDIAN STOCK EXCHANGES

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

We, further confirm that the Company has in respect of the financial year ended June 30, 2014, received from its Board members as well as senior management personnel affirmation as to compliance with the Code of Conduct.

Shiv Nadar
Chairman and Chief Strategy Officer

Anant Gupta
President & Chief Executive Officer

Place: Noida (U.P.), India
Date : July 31, 2014



**CERTIFICATE BY CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)
PURSUANT TO CLAUSE 49(V) OF THE LISTING AGREEMENT ENTERED INTO WITH THE
INDIAN STOCK EXCHANGES**

We, Shiv Nadar, Chairman & Chief Strategy Officer, Anant Gupta, President & Chief Executive Officer, Anil Chanana, Chief Financial Officer of HCL Technologies Limited ("the Company") certify that:

1. We have reviewed the financial statements and the Cash Flow Statement of the Company for the year ended June 30, 2014 and that to the best of our knowledge and belief -
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit Committee -
 - (i) significant changes, if any, in internal control over financial reporting during the year.
 - (ii) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Anant Gupta
President & Chief Executive Officer

Shiv Nadar
Chairman and Chief Strategy Officer

Anil Chanana
Chief Financial Officer

Place: Noida (U.P.), India
Date: July 31, 2014

Financial Statements

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INDEPENDENT AUDITOR'S REPORT

To the Members of HCL Technologies Limited

Report on the Financial Statements

We have audited the accompanying financial statements of HCL Technologies Limited ("the Company"), which comprise the Balance Sheet as at June 30, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the accounting standards notified under the Companies Act, 1956, read with General Circular 08/2014 dated 4 April 2014 issued by the Ministry of Corporate Affairs. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Act, 1956 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at June 30, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2. As required by section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the accounting standards notified under the Companies Act, 1956, read with General Circular 08/2014 dated 4 April 2014 issued by the Ministry of Corporate Affairs;
 - (e) On the basis of written representations received from the directors as on June 30, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on June 30, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For S.R. BATLIBOI & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E

per Tridibes Basu

Partner

Membership Number: 17401

Place of Signature: Gurgaon, India

Date: July 31, 2014

Annexure referred to in paragraph 1 under heading "Report on Other Legal and Regulatory Requirements" of our report of even date

Re: HCL Technologies Limited (the Company)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets were physically verified by the management in accordance with a planned programme of verifying them in phased manner over the period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) There was no disposal of a substantial part of fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(a) to (d) of the Order are not applicable to the Company and hence not commented upon.
- (b) According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(e) to (g) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct major weakness in internal control system of the Company in respect of these areas.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees five lakhs have been

entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.

- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 for the products of the Company.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities *though there has been a slight delay in a few cases*.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961#	Income Tax	112,870,184	2010-11	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961#	Income Tax	918,320	2009-10	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961#	Income Tax	128,125,998	2007-08	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	482,431,617	2009-10	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	1,644,571,149	2007-08	Income Tax Appellate Tribunal
Income Tax Act, 1961#	Income Tax	84,645,014	2006-07	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	1,468,769,652	2006-07	Income Tax Appellate Tribunal
Income Tax Act, 1961#	Income Tax	609,567	2005-06	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	13,678,057	2005-06	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	9,074,364	2005-06	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	78,127,764	2005-06	Income Tax Appellate Tribunal
Income Tax Act, 1961*	Income Tax	54,467,532	2005-06	Delhi High Court

Name of the Statute	Nature of Dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961#	Income Tax	18,282	2004-05	Income Tax Appellate Tribunal
Income Tax Act, 1961*	Income Tax	16,170,000	2004-05	Delhi High Court
Income Tax Act, 1961*	Income Tax	67,868,901	2004-05	Delhi High Court
Income Tax Act, 1961	Income Tax	414,561,454	2004-05	Supreme Court of India
Income Tax Act, 1961*	Income Tax	21,259,247	2004-05	Delhi High Court
Income Tax Act, 1961#	Income Tax	180,337	2003-04	Income Tax Appellate Tribunal
Income Tax Act, 1961*	Income Tax	192,314,922	2003-04	Delhi High Court
Income Tax Act, 1961*	Income Tax	1,540,000	2003-04	Delhi High Court
Income Tax Act, 1961	Income Tax	102,544,840	2003-04	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	13,543,578	2003-04	Supreme Court of India
Income Tax Act, 1961	Income Tax	21,700,098	2002-03	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	63,024,603	2002-03	Supreme Court of India
Income Tax Act, 1961*	Income Tax	2,642,500	2001-02	Delhi High Court
Customs Act, 1962	Custom Duty	2,018,406	2005-06	Customs, Excise, Service Tax Appellant Tribunal, Bangalore
Finance Act 1994, read with Service Tax Rules, 1994	Service Tax	226,000	2012-13	Commissioner Appeals, Central Excise, Noida
Central Excise Act, 1944	Excise Act	6,281,000	2013-14	Customs, Excise, Service Tax Appellant Tribunal, Chennai

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

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

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has given guarantees for loans taken by others from bank or financial institutions, the terms and conditions whereof in our opinion are not prima-facie prejudicial to the interest of the Company.
- (xvi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The company has secured debentures outstanding during the year, on which security or charge has been created.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For S.R. BATLIBOI & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E

per Tridibes Basu

Partner

Membership Number: 17401

Place of Signature: Gurgaon, India

Date: July 31, 2014

Balance Sheet as at 30 June 2014

(All amounts in crores of ₹)

	Note No.	As at 30 June 2014	As at 30 June 2013
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	2.1	140.00	139.37
(b) Reserves and surplus	2.2	15,605.61	10,093.36
		15,745.61	10,232.73
(2) Share application money pending allotment	2.3	7.65	5.01
(3) Non - current liabilities			
(a) Long-term borrowings	2.4	27.45	532.66
(b) Other long-term liabilities	2.5	515.43	436.92
(c) Long term provisions	2.6	175.28	165.98
		718.16	1,135.56
(4) Current liabilities			
(a) Short term borrowings	2.7	29.25	82.48
(b) Trade payables	2.8	392.47	333.29
(c) Other current liabilities	2.8	4,006.16	2,978.45
(d) Short term provisions	2.9	915.20	1,191.81
		5,343.08	4,586.03
TOTAL		21,814.50	15,959.33
II. ASSETS			
(1) Non-current assets			
(a) Fixed Assets			
(i) Tangible assets	2.10	2,404.30	1,896.95
(ii) Intangible assets	2.10	44.27	57.23
(iii) Capital work in progress		518.50	488.19
		2,967.07	2,442.37
(b) Non-current investments	2.11	3,559.72	3,609.72
(c) Deferred tax assets (net)	2.12	311.79	376.69
(d) Long term loans and advances	2.13	836.78	764.09
(e) Other non-current assets	2.14	132.62	132.70
		7,807.98	7,325.57
(2) Current Assets			
(a) Current investments	2.11	556.29	445.98
(b) Inventories	2.15	15.54	81.84
(c) Trade receivables	2.16	3,224.19	2,709.21
(d) Cash and bank balances	2.17	7,911.08	2,808.83
(e) Short -term loans and advances	2.18	984.32	1,511.51
(f) Other current assets	2.19	1,315.10	1,076.39
		14,006.52	8,633.76
TOTAL		21,814.50	15,959.33
Summary of significant accounting policies	1 & 2		

The accompanying notes are an integral part of the financial statements

As per our report of even date

FOR S. R. BATLIBOI & CO. LLP
ICAI Firm Registration Number : 301003E
 Chartered Accountants

per Tridibes Basu
Partner
 Membership Number: 17401

Gurgaon, India
 31 July 2014

For HCL Technologies Limited

Shiv Nadar
 Chairman and Chief Strategy Officer

Anant Gupta
 President and Chief Executive Officer

Noida (UP), India
 31 July 2014

Amal Ganguli
 Director

Anil Chanana
 Chief Financial Officer

Manish Anand
 Company Secretary

Statement of Profit and Loss for the year ended 30 June 2014

(All amounts in crores of ₹ except share data unless otherwise stated)

	Note No.	Year ended 30 June 2014	Year ended 30 June 2013
Income			
Revenue from operations	2.20	16,497.37	12,517.82
Other income	2.21	659.12	378.84
Total revenue		17,156.49	12,896.66
Expenses			
Cost of materials	2.22	410.12	259.49
Employee benefit expenses	2.23	5,123.95	4,628.61
Finance costs	2.24	81.65	76.46
Depreciation and amortization expense	2.10	490.70	441.91
Other expenses	2.25	3,652.41	3,038.99
Total expenses		9,758.83	8,445.46
Profit before tax		7,397.66	4,451.20
Provision for tax			
Current tax		(1,555.74)	(924.55)
Less: MAT credit entitlement		115.91	84.78
Add: MAT credit entitlement written off		-	(70.35)
Net current tax		(1,439.83)	(910.12)
Deferred tax credit		26.79	70.10
Profit for the year before impact of scheme of arrangement relating to earlier period		5,984.62	3,611.18
Impact of scheme of arrangement relating to earlier period	2.36	-	93.54
Profit for the year		5,984.62	3,704.72
Earnings per equity share of par value ₹2 each (computed on the basis of profit for the year)	2.32		
Basic (in ₹)		85.66	53.32
Diluted (in ₹)		84.51	52.45
Computed on the basis of profit for the year before impact of scheme of arrangement relating to earlier period			
Basic (in ₹)		85.66	51.98
Diluted (in ₹)		84.51	51.13
Summary of significant accounting policies	1 & 2		

The accompanying notes are an integral part of the financial statements

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

per Tridibes Basu
Partner
 Membership Number: 17401

 Gurgaon, India
 31 July 2014

For HCL Technologies Limited
Shiv Nadar
 Chairman and Chief Strategy Officer

Anant Gupta
 President and Chief Executive Officer

 Noida (UP), India
 31 July 2014

Amal Ganguli
 Director

Anil Chanana
 Chief Financial Officer

Manish Anand
 Company Secretary

Cash flow statement

(All amounts in crores of ₹)

	Year ended 30 June 2014	Year ended 30 June 2013
A. Cash flows from operating activities		
Profit before tax	7,397.66	4,451.20
Adjustment for:		
Depreciation and amortization	490.70	441.91
Interest income	(533.16)	(181.47)
Dividend income	(24.68)	(28.95)
Profit on sale of investments (net)	(50.42)	(15.51)
Profit on sale of long term investment in joint venture	-	(55.54)
Interest expenses	72.35	63.86
Profit on sale of fixed assets	(47.97)	(1.55)
Employee stock compensation expense	30.92	14.97
Other non cash charges	53.43	109.05
Operating profit before working capital changes	7,388.83	4,797.97
Movement in Working Capital		
(Increase)/decrease in trade receivables	(559.87)	(534.21)
(Increase)/decrease in inventories	67.16	19.19
(Increase)/decrease in loans and advances	5.89	(15.63)
(Increase)/decrease in other assets	(122.24)	(270.23)
Increase/ (decrease) in liabilities and provisions	601.21	852.94
Cash generated from operations	7,380.98	4,850.03
Direct taxes paid (net of refunds)	(1,233.76)	(808.42)
Net cash flow from operating activities before impact of scheme of arrangement relating to earlier period	6,147.22	4,041.61
Impact of scheme of arrangement relating to earlier period (refer note 2.36)	-	128.54
Net cash flow from operating activities (A)	6,147.22	4,170.15
B. Cash flows from investing activities		
Proceeds from bank deposit on maturity	2,653.02	2,001.09
Investments in bank deposits	(7,670.35)	(3,613.59)
Purchase of investments in securities	(7,354.54)	(4,417.51)
Proceeds from sale of investments in securities	7,344.65	4,478.44
Payment for investment in mutual fund - units allotted on 01 July, 2014	(55.00)	-
Deposits placed with body corporate	(564.00)	(630.50)
Proceeds from maturity of deposits placed with body corporate	680.50	50.00
Investments in subsidiaries	-	(464.60)
Proceeds from repayment of loans given to subsidiaries	414.00	(0.01)
Advance against sale of building	108.00	-
Purchase of fixed assets, including intangible assets, Capital work in progress and capital advances	(605.06)	(487.08)
Proceeds from sale of fixed assets	60.47	6.50
Proceeds from sale of long term investment in joint venture	-	66.32
Dividend received	24.68	28.95
Interest received	488.62	161.68
Taxes paid	(180.53)	(46.13)
Net cash flow used in investing activities before impact of scheme of arrangement relating to earlier period	(4,655.54)	(2,866.44)
Impact of scheme of arrangement relating to earlier period (refer note 2.36)	-	(119.04)
Net cash flow used in investing activities (B)	(4,655.54)	(2,985.48)

Cash flow statement (Contd.)

(All amounts in crores of ₹)

	Year ended 30 June 2014	Year ended 30 June 2013
C. Cash flows from financing activities		
Proceeds from issue of share capital	34.47	33.60
Proceeds from long term borrowings	11.11	22.52
Repayment of long term borrowings	(13.97)	(10.99)
Repayment of debentures	-	(330.00)
Proceeds from short term borrowings	28.78	(1.74)
Repayment of short term borrowings	(82.00)	-
Dividend paid	(1,118.39)	(694.56)
Corporate dividend tax	(184.45)	(113.75)
Interest paid	(72.88)	(78.33)
Principal payment on finance lease obligations	(0.34)	(1.89)
Net cash flow used in financing activities before impact of scheme of arrangement relating to earlier period	(1,397.67)	(1,175.14)
Impact of scheme of arrangement relating to earlier period (refer note 2.36)	-	(0.23)
Net cash flows used in financing activities (C)	(1,397.67)	(1,175.37)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	94.01	9.30
Effect of exchange differences on cash and cash equivalents held in foreign currency	(9.09)	(9.78)
Cash and cash equivalents at the beginning of the year	155.81	134.69
Cash and cash equivalents acquired on implementation of scheme of arrangement (refer note 2.36)	-	21.60
Cash and cash equivalents at the end of the year as per note 2.17 (a) (refer note below)	240.73	155.81

Note:

Cash and cash equivalents include the following:

Investor education and protection fund-unclaimed dividend *

2.51

2.36

* The Company can utilize these balances only towards the settlement of the respective above mentioned liabilities:

As per our report of even date.

FOR S. R. BATLIBOI & CO. LLP
ICAI Firm Registration Number : 301003E
 Chartered Accountants

per Tridibes Basu
Partner
 Membership Number: 17401

 Gurgaon, India
 31 July 2014

For HCL Technologies Limited

Shiv Nadar
 Chairman and Chief Strategy Officer

Anant Gupta
 President and Chief Executive Officer

 Noida (UP), India
 31 July 2014

Amal Ganguli
 Director

Anil Chanana
 Chief Financial Officer

Manish Anand
 Company Secretary

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

Company Overview

HCL Technologies Limited (hereinafter referred to as 'HCL' or the 'Company') is primarily engaged in providing a range of software services, business process outsourcing services and IT infrastructure services. The Company was incorporated in India in November 1991. The Company leverages its extensive offshore infrastructure and global network of offices and professionals located in various countries to deliver solutions across select verticals including financial services, manufacturing (automotive, aerospace, hi-tech and semi conductors), telecom, retail and consumer packaged goods services, media, publishing and entertainment, public services, energy and utility, healthcare and travel, transport and logistics.

1. Significant Accounting Policies**a) Basis of preparation**

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) and are presented in the format prescribed under revised Schedule VI to the Companies Act, 1956 read with general circular 08/2014 dated 04 April 2014, issued by the Ministry of Corporate Affairs. These financial statements have been prepared to comply in all material aspects with the applicable accounting standards. The financial statements have been prepared under the historical cost convention on an accrual and going concern basis except for certain financial instruments which are measured at fair value.

The accounting policies adopted in the preparation of the financial statements are consistent with those of the previous year.

b) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from these estimates.

c) Tangible fixed assets and capital work-in-progress

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed assets is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard or period of performance. All other expenses on existing fixed assets, including day - to - day repairs, maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Fixed assets under construction and cost of assets not ready for use before the year-end, are disclosed as capital work - in - progress.

d) Depreciation on tangible fixed assets

Depreciation on tangible fixed assets is provided on the straight-line method over their estimated useful lives, as determined by the management, at rates which are equal to or higher than the rates prescribed under Schedule XIV of the Companies Act, 1956. Leasehold land is depreciated over the period of lease and leasehold improvements over the remaining period of lease or 4 years, whichever is lower. Depreciation is charged on a pro-rata basis for assets purchased/sold during the year. Assets costing ₹5,000 or less are fully depreciated in the year of purchase.

The management's estimates of the useful lives of various tangible fixed assets for computing depreciation are as follows:

	Life (in years)
Land-leasehold	Over the period of lease (up to maximum of 99 years)
Buildings	20
Plant and machinery (including, air conditioners and electrical installations)	4 to 5
Office equipments	4
Computers	3
Furniture and fixtures	4
Vehicles - owned	5
Vehicles - leased	Over the period of lease or 5 years, whichever is lower
Leasehold-improvements	Over the remaining period of lease or 4 years, whichever is lower

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

e) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in an amalgamation in the nature of purchase is their fair value as at the date of amalgamation. Following the initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are amortized on a straight line basis over their estimated useful economic life. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If persuasive evidence exists to the effect that useful life of an intangible asset exceeds ten years, the Company amortizes that intangible asset over the best estimate of its useful life.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from the previous estimate, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefit from the asset, the amortization method is changed to reflect the changed pattern.

Gains or losses arising from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognized in the statement of profit and loss when the asset is derecognized.

Goodwill arising out of amalgamation is amortized over its useful life not exceeding 5 years unless a longer period can be justified. The management's estimates of the useful life of Software is 3 years.

f) Research and development costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Company can demonstrate all the following:

- (i) The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (ii) Its intention to complete the asset;
- (iii) Its ability to use or sell the asset;
- (iv) How the asset will generate future economic benefits;
- (v) The availability of adequate resources to complete the development and to use or sell the asset; and
- (vi) The ability to measure reliably the expenditure attributable to the intangible asset during development.

Any expenditure so capitalized is amortized over the period of expected future sales from the related project.

The carrying value of development costs is reviewed annually for impairment when the asset is not yet in use, and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.

g) Leases***Where the Company is the lessee***

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value or present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance cost in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of the lease are capitalized.

A leased asset is depreciated on a straight line basis over the useful life of the asset or the useful life envisaged in Schedule XIV to the Companies Act, 1956, whichever is lower. However, if there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life envisaged in Schedule XIV to the Companies Act, 1956.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the Company is the lessor

Leases in which the Company transfers substantially all the risk and benefits of ownership of the asset are classified as finance leases. Assets given under a finance lease are recognized as a receivable at an amount equal to the net investment in the

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

leased assets. After initial recognition, the Company apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance leases. The interest income is recognized in the statement of profit and loss. Initial direct costs such as legal cost, brokerage cost etc are recognized immediately in the statement of profit and loss.

Leases in which the Company does not transfer substantially all the risk and benefits of ownership of the assets, are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal cost, brokerage cost etc are recognized immediately in the statement of profit and loss.

h) Borrowing cost

Borrowing costs include interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

i) Impairment of tangible and intangible assets

An assessment is done at each balance sheet date as to whether there is any indication that an asset (tangible or intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is the higher of an asset's or cash generating unit's net selling price or its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

j) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises the purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired by the issue of shares or other securities, the acquisition cost is the fair value of securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried at the lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline, other than temporary, in the value of the long term investments.

On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

k) Inventories

Stock in trade, stores and spares are valued at the lower of the cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Cost of stock in trade procured for specific projects is assigned by specific identification of individual costs of each item. Cost of stock in trade, that are interchangeable and not specific to any project and cost of stores and spare parts are determined using the weighted average cost formula.

l) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue from sale of goods and rendering of services is recognized when risk and reward of ownership

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

have been transferred to the customer, the sale price is fixed or determinable and collectability is reasonably assured. The Company derives revenues primarily from:-

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

i) Software services

Revenue from software services comprises income from time and material and fixed price contracts. Revenue with respect to time and material contracts is recognized as related services are performed. Revenue from fixed price contracts is recognized in accordance with the percentage completion method under which the revenue is recognized on the basis of cost incurred in respect of each contract as a proportion of total cost expected to be incurred. The cumulative impact of any revision in estimates of the percentage of work completed is reflected in the year in which the change becomes known. Provision for estimated losses is made during the year in which a loss becomes probable based on current cost estimates. Revenue from sale of licenses for the use of software applications is recognized on transfer of title in the user license. Revenue from annual technical service contracts is recognized on a pro rata basis over the period in which such services are rendered. Income from revenue sharing agreements is recognized when the right to receive is established.

ii) IT Infrastructure services

Revenue from sale of products is recognized when risk and reward of ownership have been transferred to the customer, the sale price is fixed or determinable and collectability is reasonably assured. Revenue related to products with installation services that are critical to the products is recognized when installation of networking equipment at customer site is completed and accepted by the customer. Revenue from bandwidth services is recognized upon actual usage of such services by customers based on either the time for which these services are provided or volume of data transferred or both and excludes service tax. Revenue from maintenance services is recognized ratably over the period of the contract. Revenue from IT infrastructure management services comprises income from time-and-material, and fixed price contracts. Revenue with respect to time-and-material contracts is recognized as related services are performed. Revenue with respect to fixed price contracts is recognized in accordance with the percentage of completion method.

Unearned revenue arising in respect of bandwidth services and maintenance services is calculated on the basis of the unutilized period of service at the balance sheet date and represents revenue which is expected to be earned in future periods in respect of these services.

In case of multiple-deliverable contracts where revenue cannot be allocated to various deliverables in a contract, the entire contract is accounted for as one deliverable and accordingly the revenue is recognized on a proportionate completion method following the performance pattern of predominant services in the contract or is deferred until the last deliverable is delivered.

iii) Business process outsourcing services

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

Earnings in excess of billing are classified as unbilled revenue, while billing in excess of earnings are classified as unearned revenue. Incremental revenue from existing contracts arising on future sales of the customers' products will be recognized when it is earned. Revenue and related direct costs from transition services in outsourcing arrangements are deferred and recognized over the period of the arrangement. Certain upfront non-recurring costs incurred in the initial phases of outsourcing contracts and contract acquisition costs, are deferred and amortized usually on a straight line basis over the term of the contract. The Company periodically estimates the undiscounted cash flows from the arrangement and compares it with the unamortized costs. If the unamortized costs exceed the undiscounted cash flow, a loss is recognized.

The Company gives volume discounts and pricing incentives to customers. The discount terms in the Company's arrangements with customers generally entitle the customer to discounts, if the customer completes a specified level of revenue transactions. In some arrangements, the level of discount varies with increases in the levels of revenue transactions. The Company recognizes discount obligations as a reduction of revenue based on the rateable allocation of the discount to each of the underlying revenue transactions that result in progress by the customer toward earning the discount.

Revenues are shown net of sales tax, value added tax, service tax and applicable discounts and allowances.

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

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

iv) Others

Interest on the deployment of surplus funds is recognized using the time-proportion method, based on interest rates implicit in the transaction. Brokerage, commission and rent are recognized once the same are earned and accrued to the Company and dividend income is recognized when the right to receive the dividend is established.

m) **Foreign currency translation**

(i) **Initial Recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency, at the date of the transaction.

(ii) **Conversion**

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(iii) **Exchange Differences**

Exchange differences arising on the settlement of monetary items, or on reporting such monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or expense in the statement of profit and loss in the year in which they arise.

(iv) **Hedging**

(a) **Cash flow hedging**

The Company uses derivative financial instruments (foreign currency forward and option contracts) to hedge its risks associated with foreign currency fluctuations relating to certain highly probable forecast transactions.

The use of foreign currency forward and options contracts is governed by the Company's policies, which provide written principles on the use of such financial derivatives, consistent with the Company's risk management strategy. The Company does not use derivative financial instruments for speculative purposes.

The derivative instruments are initially measured at fair value, and are re-measured at subsequent reporting dates. In respect of derivatives designated as hedges, the Company formally documents all relationships between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Company also formally assesses, both at the inception of the hedge and on an ongoing basis, whether each derivative is highly effective in offsetting changes in fair values or cash flows of the hedged item. Changes in the fair value of these derivatives (net of tax) that are designated and effective as hedges of future cash flows are recognized directly in the hedging reserve account under shareholders' funds and the ineffective portion is recognized immediately in the statement of profit and loss. Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in the statement of profit and loss as they arise.

Hedge accounting is discontinued from the last testing date when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Cumulative gain or loss on such hedging instrument recognized in shareholders' funds is retained until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognized in shareholders' funds is transferred to the statement of profit and loss for the year.

(b) **Hedging of monetary assets and liabilities**

Exchange differences on such contracts are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of a forward exchange contract is recognized as income or as an expense for the year.

(v) **Translation of integral and non-integral foreign operation**

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation had been those of the Company itself.

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

In translating the financial statements of a non-integral foreign operation for incorporation in the financial statements, the assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation are translated at the closing rate; and income and expense items of the non-integral foreign operation are translated at monthly weighted average rates, which approximate the actual exchange rates. All resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

On the disposal of a non-integral foreign operation, the cumulative amount of the exchange differences which had been deferred and which relate to that operation are recognized as income or as an expense in the same period in which the gain or loss on disposal is recognized.

n) Retirement and other employee benefits

- i. Contributions to provident fund, a defined benefit plan, are deposited with Recognized Provident Fund Trusts, set up by the Company. The Company's liability is actuarially determined at the end of the year. Actuarial losses/ gains are recognized in the statement of profit and loss in the year in which they arise. The interest rate payable by the Trust to the beneficiaries every year is notified by the Government and the Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate.
- ii. In respect of superannuation, a defined contribution plan for applicable employees, the Company contributes to a scheme administered on its behalf by an insurance company and such contributions for each year of service rendered by the employees are charged to the statement of profit and loss. The Company has no further obligations to the superannuation plan beyond its contributions.
- iii. Gratuity liability: The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's base salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year.
- iv. Compensated absences: The employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation (using the Projected Unit Credit method) based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the balance sheet date. Accumulated leave, which is expected to be utilized within the next twelve months, is treated as a short-term employee benefit and accumulated leave expected to be carried forward beyond twelve months is treated as a long-term employee benefit for measurement purposes. The expense on non-accumulating compensated absences is recognized in the period in which the absences occur.
- v. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.
- vi. State Plans : The Company's contribution to State Plans , a defined contribution plan namely Employee State Insurance Fund and Employees Pension Scheme are charged to the statement of profit and loss.

o) Taxation

Tax expense comprises current and deferred tax. Current income tax expense comprises taxes on income from operations in India and foreign jurisdictions. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961 and tax expense relating to overseas operations is determined in accordance with tax laws applicable in countries where such operations are domiciled.

Deferred tax expense or benefit is recognized on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets, against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by the same governing taxation laws.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. In situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate.

At each balance sheet date the Company re-assesses recognized and unrecognized deferred tax assets. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which the deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available. The Company recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The Company is subject to Minimum Alternative Tax (MAT) on their book profit, which gives rise to future economic benefit in the form of adjustment of future income tax liability. MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which MAT Credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the MAT Credit Entitlement at each balance sheet date and writes - down the carrying amount of the MAT Credit Entitlement to the extent that there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

p) Employee stock compensation cost

In accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India, the Company calculates the compensation cost of equity-settled transactions based on the intrinsic value method wherein the excess of the market price of the underlying equity shares on the date of the grant of the options over the exercise price of the options given to the employees under the employee stock option schemes of the Company, is recognized as deferred stock compensation cost and is amortized on a graded vesting basis over the vesting period of the options.

q) Earnings per share

Basic earnings per share is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

r) Provisions

A provision is recognized when there exists a present obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to present value and are determined based on best estimates required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

s) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably; the Company does not recognize a contingent liability but discloses its existence in the financial statements.

t) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short term deposits with banks and corporation with an original maturity of three months or less.

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

2. Notes on accounts
2.1 Share Capital

	As at 30 June	
	2014	2013
Authorized		
750,000,000 (Previous year 750,000,000) equity shares of ₹2 each	150.00	150.00
Issued, subscribed and fully paid up		
699,976,381 (Previous year 696,869,857) equity shares ₹2 each	140.00	139.37

Terms/ rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of ₹2/-. Each holder of equity shares is entitled to one vote per share.

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

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

	As at 30 June			
	2014		2013	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
Number of shares at the beginning	696,869,857	139.37	693,283,476	138.66
Add: Shares issued on exercise of employee stock options	3,106,524	0.63	3,576,256	0.71
Add: Shares issued under scheme of arrangement (refer note 2.36)	-	-	10,125	0.00*
Number of shares at the end	699,976,381	140.00	696,869,857	139.37

The Company does not have any holding/ ultimate holding company.

* Absolute amount equals to ₹20,250

Details of shareholders holding more than 5 % shares in the company:-

Name of the shareholder	As at 30 June			
	2014		2013	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of ₹2 each fully paid				
Vama Sundari Investments (Delhi) Private Limited	300,048,512	42.87%	311,964,982	44.77%
HCL Holdings Private Limited	119,548,908	17.08%	119,548,908	17.16%

As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

	As at 30 June					
	2014	2013	2012	2011	2010	2009
Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash.	Nil	10,125 Equity shares	Nil	Nil	Nil	Nil
Aggregate number and class of shares allotted as fully paid up by way of bonus shares.	Nil	Nil	Nil	Nil	Nil	Nil
Aggregate number and class of shares bought back	Nil	Nil	Nil	Nil	Nil	Nil

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

Employee Stock Option Plan (ESOP)

The Company has provided various share-based payment schemes to its employees. During the year ended 30 June 2014, the following schemes were in operation:

	ESOP 1999	ESOP 2000	ESOP 2004
Number of options granted	20,000,000	15,000,000	20,000,000
Method of Settlement (Cash/Equity)	Equity	Equity	Equity
Vesting Period (Maximum)	110 months	104 months	96 months
Exercise Period from the date of vesting (maximum)	5 years	5 years	5 years
Vesting Conditions	Service Period	Service Period	Service Period/ Group performance

During the year ended 30 June 2013, the following schemes were in operation:

	ESOP 1999	ESOP 2000	ESOP 2004
Number of options granted	20,000,000	15,000,000	20,000,000
Method of Settlement (Cash/Equity)	Equity	Equity	Equity
Vesting Period (Maximum)	110 months	104 months	96 months
Exercise Period from the date of vesting (maximum)	5 years	5 years	5 years
Vesting Conditions	Service Period	Service Period	Service Period/ Group performance

Each option granted under the above plans entitles the holder to four equity shares of the Company at an exercise price, which is approved by the Nomination and Remuneration Committee.

The details of activity under various plans have been summarized below:-

ESOP 1999	Year ended 30 June			
	2014		2013	
	No. of options	Weighted average exercise price (₹)	No. of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	324,422	666.37	536,630	655.52
Add: Granted during the year	-	-	-	-
Less: Forfeited during the year	-	-	-	-
Exercised during the year	(184,025)	638.94	(176,588)	638.71
Expired during the year	(14,574)	645.34	(35,620)	640.08
Options outstanding at the end of the year	125,823	722.45	324,422	666.37
Options exercisable at the end of the year	125,823		324,422	

The weighted average option price at the date of exercise for stock options exercised during the year was ₹4,635.01 (Previous year ₹2,690.93)

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

ESOP 2000	Year ended 30 June			
	2014		2013	
	No of options	Weighted average exercise price (₹)	No of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	583,255	641.16	1,024,030	632.18
Add: Granted during the year	-	-	-	-
Less: Forfeited during the year	-	-	-	-
Exercised during the year	(301,986)	637.05	(313,419)	618.13
Expired during the year	(71,028)	653.61	(127,356)	625.65
Options outstanding at the end of the year	210,241	642.84	583,255	641.16
Options exercisable at the end of the year	210,241		583,255	

The weighted average option price at the date of exercise for stock options exercised during the year was ₹4,645.11 (Previous year ₹2,619.54)

ESOP 2004	Year ended 30 June			
	2014		2013	
	No of options	Weighted average exercise price (₹)	No of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	2,238,201	14.48	3,605,488	13.61
Add: Granted during the year	8,000	8.00	21,220	8.00
Less: Forfeited during the year	(225,132)	8.00	(962,180)	8.00
Exercised during the year	(290,620)	28.69	(404,057)	17.64
Expired during the year	(1,600)	1,329.66	(22,270)	88.72
Options outstanding at the end of the year *	1,728,849	11.69	2,238,201	14.48
Options exercisable at the end of the year	274,481		295,101	

The weighted average option price at the date of exercise for stock options exercised during the year was ₹4,998.73 (Previous year ₹2,942.59)

* Total number of outstanding options includes 1,252,638 as on 30 June 2014 (1,549,700 as on 30 June 2013) performance based options. These options will vest to the employees of the Group based on the achievement of certain targets by the Group.

The details of exercise price for stock options outstanding at the end of the year 30 June 2014 are:

Name of the Plan	Range of exercise prices	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price (₹)
Employee Stock Option Plan - 1999	₹240 - ₹750	125,823	-	722.45
Employee Stock Option Plan - 2000	₹260 - ₹470	-	-	-
	₹483 - ₹823	210,241	-	642.84
Employee Stock Option Plan - 2004	₹8	1,719,386	4.80	8.00
	₹642 - ₹741	9,463	-	682.38

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

The details of exercise price for stock options outstanding at the end of the year 30 June 2013 are:

Name of the Plan	Range of exercise prices	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price (₹)
Employee Stock Option Plan - 1999	₹240 - ₹750	324,422	0.68	666.37
Employee Stock Option Plan - 2000	₹260 - ₹470	-	-	-
	₹483 - ₹823	583,255	0.63	641.16
Employee Stock Option Plan - 2004	₹8	2,216,841	5.61	8.00
	₹642 - ₹741	21,360	0.64	687.24

The weighted average fair value of stock options granted during the year was ₹3,304.31 (Previous year ₹1,914.35). The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

	Year ended 30 June	
	2014	2013
Weighted average share price	396.18	324.74
Exercise Price	₹2.00	₹2.00
Expected Volatility	30.80%	36.88%
Historical Volatility	30.80%	36.88%
Life of the options granted (vesting and exercise period) in years	3.15 - 3.21 Years	2.96 - 5.00 Years
Expected dividends	₹8.00	₹8.00
Average risk-free interest rate	7.80%	7.78%
Expected dividend rate	2.02%	2.46%

The expected volatility was determined based on historical volatility data.

The Company has calculated the compensation cost based on the intrinsic value method i.e. the excess of market price of underlying equity shares on the date of the grant of options over the exercise price of the options granted to employees under the employee stock option schemes of the Company. The same is recognized as deferred stock compensation cost and is amortized on a graded vesting basis over the vesting period of the options. Had the Company applied the fair value method for determining compensation cost, the impact on net income and earnings per share is provided below:

	Year ended 30 June	
	2014	2013
Net income - As reported	5,984.62	3,704.72
Add: Employee stock compensation under intrinsic value method	30.92	14.97
Less: Employee stock compensation under fair value method	39.12	16.79
Net income - Proforma	5,976.42	3,702.90
Earnings per share (₹) refer note 2.32		
Basic - As reported	85.66	53.32
- Proforma	85.55	53.30
Diluted - As reported	84.51	52.45
- Proforma	84.40	52.43

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

2.2 Reserves and Surplus

	As At 30 June	
	2014	2013
Securities premium account		
Balance as per last financial statements	1,863.83	1,769.76
Add: exercise of stock option by employees	70.14	93.59
Add: adjustment pursuant to implementation of scheme of arrangement (refer note 2.36)	-	0.48
	1,933.97	1,863.83
Debenture redemption reserve		
Balance as per last financial statements	400.00	630.00
Add: amount transferred from surplus in the statement of profit and loss	100.00	100.00
Less: amount transferred to statement of profit and loss due to redemption of debentures	-	(330.00)
	500.00	400.00
Share options outstanding		
Balance as per last financial statements	331.39	555.08
Add: options granted during the year	2.89	5.68
Less: options forfeited during the year	(35.46)	(166.43)
Less: transferred to securities premium on exercise of stock options	(38.93)	(62.94)
	259.89	331.39
Less:-deferred employee compensation cost	(52.97)	(116.47)
	206.92	214.92
Hedging reserve account (net of deferred tax) (refer note 2.31)		
Balance as per last financial statements	(488.52)	(385.57)
Add: movement during the year (net)	278.24	(102.95)
	(210.28)	(488.52)
Foreign currency translation reserve		
Balance as per last financial statements	(2.73)	(6.90)
Add: exchange difference during the year on net investment in non-integral operations	0.91	4.17
	(1.82)	(2.73)
General reserve		
Balance as per last financial statements	1,389.20	1,009.20
Add: amount transferred from surplus in the statement of profit and loss	600.00	380.00
	1,989.20	1,389.20
Capital reserve		
Balance as per last financial statements	119.54	-
Add: adjustment pursuant to implementation of Scheme of Arrangement (refer note 2.36)	-	119.54
	119.54	119.54
Surplus in the statement of profit and loss		
Balance as per last financial statements	6,597.12	3,185.77
Add: profit for the year	5,984.62	3,704.72
Add: amount transferred from debenture redemption reserve due to redemption of debentures	-	330.00
Add: surplus acquired under the scheme of arrangement (refer note 2.36)	-	831.81
Amount available for appropriation	12,581.74	8,052.30

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

	As at 30 June	
	2014	2013
Less: appropriations		
Interim dividend [amount per share ₹10 (previous year ₹6)]	699.10	416.94
Proposed final dividend [including ₹1.17 crores (previous year ₹0.30 crores) paid for previous year] [Amount per share ₹Nil (previous year ₹6)]	1.17	418.42
Total dividend	700.27	835.36
Corporate dividend tax [including ₹0.20 crores (previous year ₹0.05 crores) paid for previous year]	113.39	139.82
Transfer to general reserve	600.00	380.00
Transfer to debenture redemption reserve	100.00	100.00
Net surplus in the statement of profit and loss	11,068.08	6,597.12
	15,605.61	10,093.36

2.3 Share application money pending allotment

	2014	2013
- number of shares proposed to be issued	598,948	356,008
- the amount of premium	7.53	4.94
- whether the Company has sufficient authorized share capital to cover the share capital amount on allotment of shares out of share application money	Yes	Yes
- Interest accrued on amount due for refund	Nil	Nil

Note - share application money has not remained pending beyond the period mentioned in the share application. The maximum period within which the shares shall be allotted will be 180 days from the date of receipt of share application money.

2.4 Long term borrowings

	Non-current portion		Current maturities	
	30 June 2014	30 June 2013	30 June 2014	30 June 2013
(a) Secured				
Debentures (refer note 1 below)				
8.80% Secured redeemable non convertible debentures of ₹10 lacs each (repayable on 10 September 2014)	-	500.00	500.00	-
From banks				
Long term loans (refer note 2 below)	27.45	32.33	11.56	9.68
From others				
Finance lease obligations (refer note 3 below and Note 2.26(i))	-	0.33	0.33	1.76
	27.45	532.66	511.89	11.44
Amount disclosed under the head "other current liabilities" (note 2.8)	-	-	(511.89)	(11.44)
	27.45	532.66	-	-

Note:-

- These debentures have a maturity period of five years redeemable at par and are secured against computers, softwares, plant and machinery, receivables from subsidiaries and specified land and building of the Company.
- Secured by hypothecation of gross block of vehicles of ₹76.02 crores (Previous year ₹68.80 crores) at interest rates ranging from 8% to 11%. The loans are repayable over a period of 3 to 5 years on a monthly basis.
- Obligations under finance lease are secured by vehicles taken on lease at interest rates ranging from 8% to 11%.

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

2.5 Other long term liabilities

	As at 30 June	
	2014	2013
Income received in advance	193.33	141.62
Income received in advance- related parties	178.61	35.14
Liability for expenses	15.29	15.36
Unrealized loss on forward covers	128.20	244.80
	515.43	436.92

2.6 Long term provisions

	As at 30 June	
	2014	2013
Provision for employee benefits	175.28	165.98
	175.28	165.98

2.7 Short term borrowings

	As at 30 June	
	2014	2013
Unsecured		
Bank overdraft	29.25	0.48
Loans from related parties	-	82.00
	29.25	82.48

2.8 Trade payable and other current liabilities

	As at 30 June	
	2014	2013
Trade payables (refer note 2.33 for details of dues to micro and small enterprises)	117.46	112.70
Trade payables-related parties	275.01	220.59
	392.47	333.29
Other current liabilities		
Current maturities of long term loans	511.89	11.44
Interest accrued but not due on borrowings	2.53	2.51
Interest accrued but not due on borrowings-related parties	-	0.55
Investor education and protection fund (shall be credited by following amounts as and when due) -Unclaimed dividends	2.51	2.36
Advances received from customers	16.86	43.43
Advances received from customers-related parties	-	7.36
Capital accounts payables [includes supplier credit ₹601.49 crores (previous year ₹297.40 crores)]	748.45	390.96
Capital accounts payables-Related parties [includes supplier credit ₹28.24 crores (previous year ₹7.12 crores)]	32.25	7.86
Unrealized loss on forward cover	137.57	434.40
Income received in advance	200.26	122.91
Income received in advance-related parties	330.12	435.07

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

2.8 Trade payable and other current liabilities (Contd.)

	As at 30 June	
	2014	2013
Accrued salaries and benefits		
Employee bonuses accrued	348.00	384.40
Other employee costs	200.10	168.69
Other liabilities		
Liabilities for expenses	722.31	562.81
Liabilities for expenses-related parties	227.71	211.60
Supplier credit	309.62	80.55
Supplier credit-related parties	10.53	45.26
Withholding and other taxes payable	97.45	64.46
Book overdraft	-	1.83
Advance against sale of building-related parties	108.00	-
	4,006.16	2,978.45

2.9 Short term provisions

	As at 30 June	
	2014	2013
Provision for employee benefits	186.91	174.62
Proposed dividend on equity shares	-	418.12
Taxes on dividend	-	71.06
Income taxes (refer note 1 below)	726.88	526.65
Wealth tax (refer note 2 below)	1.41	1.36
	915.20	1,191.81

Notes:

1. Net of advance income tax of ₹3,590.29 crores (Previous year ₹2,192.12 crores).
2. Net of advance wealth tax of ₹6.60 crores (Previous year ₹5.31 crores).

Notes to financial statements for the year ended 30 June 2014
(All amounts in crores of ₹, except share data and as stated otherwise)

Note 2.10 Fixed Assets (refer note 1(c), (d) , (e) and 2.36)

	Gross block				Accumulated depreciation / amortization					Net block	
	As at 1 July 2013	Additions	Deletions/ Adjustments	Translation exchange differences	As at 30 June 2014	As at 1 July 2013	Charge for the year	Deletions/ Adjustments	Translation exchange differences	As at 30 June 2014	As at 30 June 2013
Tangible Assets											
Freehold land	80.89	-	-	-	80.89	-	-	-	-	80.89	80.89
Leasehold land	163.92	0.02	4.65	-	159.29	12.13	1.80	0.83	-	146.19	151.79
Buildings	1,169.58	531.57	11.69	-	1,689.46	173.16	67.82	7.24	-	1,455.72	996.42
Plant and machinery	670.22	225.52	17.49	0.16	878.41	424.56	117.71	17.41	0.13	524.99	245.66
Office Equipment	203.19	12.66	40.01	0.04	175.88	161.78	19.43	39.91	0.05	141.35	41.41
Computers	874.14	117.41	88.45	0.27	903.37	635.13	167.08	88.28	0.11	714.04	239.01
Furniture and fittings	457.65	58.37	45.49	0.27	470.80	372.34	50.08	45.45	0.20	377.17	85.31
Vehicles - owned	73.46	17.85	8.37	-	82.94	22.69	15.95	3.87	-	34.77	50.77
- leased	13.77	-	9.52	-	4.25	8.08	1.18	7.43	-	1.83	5.69
Total (A)	3,706.82	963.40	225.67	0.74	4,445.29	1,809.87	441.05	210.42	0.49	2,040.99	1,896.95
Intangible Assets											
Goodwill	1.98	-	-	-	1.98	1.98	-	-	-	-	-
Software	437.08	36.48	-	0.23	473.79	379.85	49.65	-	0.02	429.52	57.23
Total (B)	439.06	36.48	-	0.23	475.77	381.83	49.65	-	0.02	431.50	57.23
Total (A)+(B)	4,145.88	999.88	225.67	0.97	4,921.06	2,191.70	490.70	210.42	0.51	2,472.49	1,954.18
Previous year	3,497.26	981.42	333.99	1.19	4,145.88	1,883.55	441.91	516.62	0.85	1,954.18	1,613.71

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

2.11 Investments

	As at 30 June	
	2014	2013
Non-current investment - at cost		
In subsidiary companies, trade (unquoted), fully paid up		
Equity Instruments		
409,670,582 (Previous year 409,670,582) equity shares of USD 1 each in HCL Bermuda Limited, Bermuda	1,829.27	1,829.27
1,280 equity shares of ₹10,000 each (Previous year 1,280) equity shares, in HCL Comnet Systems & Services Limited (refer note 2.36)	11.22	11.22
949,900 (Previous year 949,900) equity shares of ₹10 each, in HCL Comnet Limited (refer note 1 below and note 2.36)	54.94	54.94
HCL Technologies (Shanghai) Limited (Issued & registered capital)	9.95	9.95
1,033,384 (Previous year 939,440) equity shares of SGD 1 each, in HCL Singapore Pte. Limited	5.25	5.25
30,000,000 (previous year 30,000,000) equity shares of Pound 1 each fully paid up, in HCL EAS Limited (refer note 1 below and note 2.36)	224.80	224.80
1 (Previous year 1) equity shares of Euro 100 each, in HCL GmbH	0.11	0.11
92,000 (Previous year 92,000) equity shares of ₹10 each in HCL Eagle Limited	0.09	0.09
Preference shares		
275,000,000 (Previous year 275,000,000) Preference shares of USD 1 each in HCL Bermuda Limited, Bermuda	1,424.09	1,424.09
Aggregate amount of unquoted investments (A)	3,559.72	3,559.72
(Non trade and quoted)		
Investment in bonds(refer 2 (i) below)	-	50.00
Aggregate amount of quoted investments (B)	-	50.00
Aggregate amount of non-current investments (A+B)	3,559.72	3,609.72
Current investments		
(Non trade and quoted)		
Investment in bonds and certificate of deposits (refer note 2 (ii) below)	212.04	44.34
(At lower of cost and fair value non trade and unquoted)		
Investment in mutual fund(refer note 2 (iii) below)	344.25	401.64
Aggregate amount of current investments	556.29	445.98

Note:-

- Acquired during the previous year pursuant to the scheme of amalgamation of HCL Comnet Systems & Services Limited with the Company. (refer note 2.36)
- The details of investments in mutual funds/ bonds are provided below:

i) Non current - non trade and quoted

	Face Value	Balance as at 30 June 2014		Balance as at 30 June 2013	
		Units	Amount	Units	Amount
Bonds					
Indian Railway Finance 6% 2015 (Series 68)	100,000	-	-	5,000	50.00
Market value			-		48.42

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

ii) Current - non trade and quoted

	Face Value	Balance as at 30 June 2014		Balance as at 30 June 2013	
		Units	Amount	Units	Amount
Bonds					
IIFCL 6.85% 2014 (Tax Free Bonds)	100,000	-	-	4,418	44.34
Indian Railway Finance 6% 2015 (Series 68)	100,000	5,000	50.00	-	-
Certificate of deposits					
State Bank of Mysore	100,000	10,000	98.13	-	-
State Bank of Hyderabad	100,000	6,500	63.91	-	-
Total			212.04		44.34
Market value			212.08		43.94

iii) Details of Investments in mutual funds - non trade and unquoted

	Face Value	Balance as at 30 June 2014		Balance as at 30 June 2013	
		Units	Amount	Units	Amount
Growth Fund					
DSP BlackRock Liquidity Fund-IP	1,000	442,860	82.66	99,326	17.01
HDFC Liquid Fund	10	38,784,913	99.47	44,969,068	106.00
ICICI Prudential Institutional Liquid Plan -Super Institutional	100	1,238,777	23.92	9,612,099	170.00
UTI Liquid Fund-Cash Plan	1,000	282,876	60.37	533,232	101.61
TATA Liquid Fund Plan	1,000	44,577	10.64	27,323	6.02
SBI Premier Liquid Fund Super IP	1,000	328,604	67.20	5,317	1.00
Total			344.26		401.64

2.12 Deferred tax assets (net)

	As at 30 June	
	2014	2013
Deferred tax assets:		
Accrued employee costs	95.24	110.15
Unrealized loss on derivative financial instruments	51.97	142.75
Depreciation and amortization	74.87	67.66
Others	90.70	56.68
Gross deferred tax assets (A)	312.78	377.24
Deferred tax liabilities:		
Others	0.99	0.55
Gross deferred tax liabilities (B)	0.99	0.55
Net deferred tax assets (A-B)	311.79	376.69

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

2.13 Long term loans and advances

	As at 30 June	
	2014	2013
Unsecured, considered good		
Capital advances	118.98	161.17
Capital advances-related parties	0.02	1.08
Security deposits	119.20	170.73
Others		
MAT credit entitlement	459.26	343.35
Prepaid expenses	31.90	27.91
Finance lease receivables (refer note 2.26 (iii))	62.22	59.52
Loans and advances to employees	0.07	0.33
Other loans and advances	45.13	-
	836.78	764.09

2.14 Other non- current assets

	As at 30 June	
	2014	2013
Unsecured considered good unless otherwise stated		
Deferred cost	132.61	132.63
Bank deposits more than 12 months (refer note 1 below)	0.01	0.01
Unrealized gain on derivative financial instruments	-	0.06
	132.62	132.70

Note:-

1. Pledged with banks as security for guarantees ₹0.01crores(Previous year ₹0.01 crores)

2.15 Inventories

	As at 30 June	
	2014	2013
Inventories		
Stock in trade (refer note 2.37)	14.66	80.29
Stores and spares	0.88	1.55
	15.54	81.84

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

2.16 Trade receivables (Unsecured)

	As at 30 June	
	2014	2013
(a) Considered good unless stated otherwise, outstanding for a period exceeding six months from the date they are due for payment		
Unsecured considered good	-	113.38
Unsecured considered doubtful	151.72	10.46
	151.72	123.84
Provision for doubtful receivables	(151.72)	(10.46)
Total (A)	-	113.38
(b) Other receivables		
Unsecured considered good	3,224.19	2,595.83
Unsecured considered doubtful	25.32	133.56
	3,249.51	2,729.39
Provision for doubtful receivables	(25.32)	(133.56)
Total (B)	3,224.19	2,595.83
Total (A)+(B) (refer note 1 below)	3,224.19	2,709.21

Note:-

- Includes receivables from related parties amounting to ₹1,760.03 crores (Previous year ₹1,593.13 crores)

2.17 Cash and bank balances

	As at 30 June	
	2014	2013
(a) Cash and cash equivalent		
Balance with banks		
-in current accounts	131.87	29.02
Cheques in hand	33.00	21.57
Remittances in transit	73.35	102.86
Unclaimed dividend account	2.51	2.36
	240.73	155.81
(b) Other bank balances		
Deposits with original maturity of more than 3 months but less than 12 months (refer note 1 below)	7,670.35	2,653.02
	7,911.08	2,808.83

Note:

- In compliance of circular no. 04/2013 dated 11 february 2013, above deposits includes ₹77 crores which have been maintained by the Company for the purpose of repayment for redemption of the 8.80% Secured non convertible debentures of ₹500 crores repayable on 10 September 2014.

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

2.18 Short-term loans and advances

	As at 30 June	
	2014	2013
Unsecured, considered good		
Loans and advances to related parties	49.07	469.56
Others		
Security deposits	53.22	10.30
Inter corporate deposit with HDFC Limited	564.00	680.50
Advances to suppliers	13.20	36.65
Prepaid expenses	98.95	64.95
Loans and advances to employees	19.76	21.91
Finance lease receivables (refer note 2.26 (iii))	24.95	17.12
Payment for investment in mutual fund - units allotted on 01 July, 2014	55.00	-
Service tax receivable	46.32	149.64
Other loans and advances	59.85	60.88
	984.32	1,511.51
Unsecured, considered doubtful		
Loans and advances to employees	43.73	37.26
Loans and advances to others	3.86	1.87
	47.59	39.13
Less: Provision for doubtful advances	(47.59)	(39.13)
	984.32	1,511.51

2.19 Other current assets

	As at 30 June	
	2014	2013
Unbilled revenue	541.26	493.56
Unbilled revenue-related parties	555.50	396.94
Deferred cost	98.47	114.10
Deferred cost-related parties	5.71	2.50
Interest receivable	113.83	69.22
Interest receivable-related parties	-	0.07
Unrealized gain on derivative financial instruments	0.33	-
	1,315.10	1,076.39

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

2.20 Revenue from operations

	Year ended	
	30 June 2014	30 June 2013
Sale of services	16,015.24	12,221.98
Sale of hardware and software (refer note 2.37)	482.13	295.84
	16,497.37	12,517.82

2.21 Other income

	Year ended	
	30 June 2014	30 June 2013
Interest income		
- On fixed deposits	528.46	175.34
- On investment	4.70	6.03
- Others	-	0.10
Profit on sale of current investments	50.42	15.51
Profit on sale of long term investment in joint venture (refer note 2.35)	-	55.54
Dividends from current investments	-	20.67
Dividends from subsidiary companies	24.68	8.28
Profit on sale of fixed assets (refer note 1 below)	47.97	1.55
Exchange differences (net)	-	60.33
Miscellaneous income	2.89	35.49
	659.12	378.84

Note

1. Net of loss on sale of fixed assets ₹0.39 crores (Previous year ₹0.28 crores)

2.22 Cost of materials (refer note 2.37)

	Year ended	
	30 June 2014	30 June 2013
Opening stock	80.29	88.12
Purchases of traded goods	345.37	251.66
	425.66	339.78
Closing stock	(15.54)	(80.29)
	410.12	259.49

2.23 Employee benefit expenses

	Year ended	
	30 June 2014	30 June 2013
Salaries, wages and bonus	4,861.20	4,406.99
Contribution to provident fund and other funds	193.59	165.81
Staff welfare expenses	38.24	40.84
Employee stock compensation expense	30.92	14.97
	5,123.95	4,628.61

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

2.24 Finance cost

	Year ended	
	30 June 2014	30 June 2013
Interest		
- on debentures	44.02	48.02
- on loans from banks	4.48	3.85
- on leased assets	0.32	1.50
- others	23.85	11.98
Bank charges	8.98	11.11
	81.65	76.46

2.25 Other expenses

	Year ended	
	30 June 2014	30 June 2013
Rent	206.87	205.13
Power and fuel	205.15	201.30
Insurance	8.27	11.67
Repairs and maintenance		
- Plant and machinery	55.86	63.06
- Buildings	60.59	43.07
- Others	94.42	94.11
Communication costs	117.96	109.36
Books and periodicals	16.32	13.21
Travel and conveyance	699.70	619.35
Business promotion	28.74	12.71
Legal and professional charges (refer note 2.39)	98.67	70.58
Outsourcing costs	1,619.45	1,022.13
Software license fee	156.92	117.62
Printing and stationery	12.37	8.50
Rates and taxes	72.24	54.85
Advertising and publicity	2.13	18.29
Provision for doubtful advances / advances written off	0.14	29.84
Donations	1.25	0.32
Recruitment, training and development	76.49	55.99
Provision for doubtful debts/ bad debts written off	53.13	75.23
Exchange differences (net)	11.79	-
Miscellaneous expenses	53.95	212.67
	3,652.41	3,038.99

2.26 Leases
i) Finance leases : in case of assets taken on lease

The Company has acquired vehicles on finance leases. Total minimum lease payments and the maturity profile of finance leases at the balance sheet date, the element of interest included in such payments, and the present value of the minimum lease payments are as follows:

	Total minimum lease payments outstanding as on 30 June 2014	Interest included in minimum lease payments	Present value of minimum lease payments
Not later than one year	0.34 (2.07)	0.01 (0.31)	0.33 (1.76)
Later than one year and not later than 5 years	- (0.34)	- (0.01)	- (0.33)
	0.34 (2.41)	0.01 (0.32)	0.33 (2.09)

Previous year figures are in brackets.

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

ii) Operating leases

The Company leases office spaces and accommodation for its employees under operating lease agreements. The lease rental expense recognized in the statement of profit and loss for the year is ₹206.87 crores (Previous year ₹204.66 crores). The lease equalization reserve amount for non-cancellable operating lease payable in future years and accounted for by the Company is ₹102.92 crores (previous year ₹93.92 crores). Future minimum lease payments and the payment profile of non-cancellable operating leases are as follows:

	Year ended	
	30 June 2014	30 June 2013
Not later than one year	158.84	189.17
Later than one year but not later than five years	505.91	531.08
Later than five years	604.38	589.14
	1,269.13	1,309.39

iii) Finance leases : in case of assets given on lease

The Company has given networking equipments to its customers on finance lease basis. The future lease receivables in respect of assets given on finance lease are as follows:

	Total minimum lease payments receivable as on 30 June 2014	Interest included in minimum lease payments receivable	Present value of minimum lease payments receivable
Not later than one year	29.65 (21.31)	4.71 (4.19)	24.94 (17.12)
Later than one year and not later than 5 years	73.97 (74.17)	11.74 (14.65)	62.23 (59.52)
	103.62	16.45	87.17
	(95.48)	(18.84)	(76.64)

Previous year figures are in brackets.

2.27 Segment Reporting
Identification of segments

The Company's operating businesses are organized and managed according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and services.

(i) Business segments

The operations of the Company predominately relate to providing a range of IT and Business Process Outsourcing services (BPO) targeted at Global 2000 companies spread across USA, Europe & Rest of the World. IT Services include software services & IT infrastructure management services. Within software services, the Company provides application development & maintenance, enterprise application, next generation SAAS (Software As A Service) application services and engineering and R&D services to several global customers. IT Infrastructure management services involve managing customers' IT assets effectively. The Company'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 next generation services around platform BPO & BPAAS (Business Process As A Service) delivered through a strong global delivery model. The Company'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 Chairman of the Company, who is the Chief Strategy Officer, evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by types of services provided by the Company and geographic segmentation of customers.

Accordingly, revenue from service segments comprises the primary basis of segmental information set out in these financial statements. Secondary segmental reporting is performed on the basis of the geographical location of customers and assets.

(ii) Geographic segments

Segment revenue from customers by geographical areas are stated based on geographical location of the customer and segment assets by geographical location of the assets.

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

The principal geographical segments are classified as America, Europe, India and Others. Europe comprises business operations conducted by the Company in the United Kingdom, Sweden, Germany, Italy, Belgium, Netherlands, Northern Ireland, Finland, Poland and Switzerland. Since services provided by the Company within these European entities are subject to similar risks and returns, their operating results have been reported as one segment, namely Europe. India has been identified as a separate segment. All other customers, mainly in Japan, Australia, New Zealand, Singapore, Malaysia, Israel, South Korea, China, Czech Republic, Macau, UAE, Portugal, Russia and Hong Kong are included in Others.

(iii) Segment accounting policies

The accounting principles consistently used in the preparation of the financial statements and consistently applied to record revenue and expenditure in individual segments are as set out in note 1 to the financial statements on significant accounting policies. The accounting policies in relation to segment accounting are as under:

a) Segment assets and liabilities

Segment assets consist mainly of allocable fixed assets, trade receivables, loans and advances and unbilled receivables. Segment assets do not include unallocated corporate assets, treasury assets, net deferred tax assets, advance taxes and Minimum Alternate Tax.

Segment liabilities include trade payables, and other liabilities. Segment liabilities do not include provision for taxes, borrowings and other unallocated corporate liabilities.

b) Segment revenue and expenses

Segment revenue is directly attributable to the segment and segment expenses have been allocated to various segments on the basis of specific identification. However, segment revenue does not include other income. Segment expenses do not include premium amortized on bonds, diminution allowance in respect of current and trade investments, other than temporary diminution in the value of long term investments, charge taken for stock options issued to employees, corporate expenses and finance cost.

Financial information about the business segments for the year ended 30 June 2014 is as follows:

	Software services	Business process outsourcing services	IT Infrastructure services	Total
Segment Revenues	10,142.92	876.35	5,478.10	16,497.37
Segment results	4,438.77	203.58	2,224.26	6,866.61
Unallocated corporate expenses				(46.42)
Finance cost				(81.65)
Other income				125.96
Interest income				533.16
Net profit before taxes				7,397.66
Tax expense				1,413.04
Net profit after taxes				5,984.62
Assets				
Segment assets	4,853.81	507.22	2,244.09	7,605.12
Unallocated corporate assets				14,209.38
Total assets				21,814.50
Liabilities				
Segment liabilities	2,851.56	141.50	1,542.39	4,535.45
Unallocated corporate liabilities				1,525.79
Total liabilities				6,061.24
Capital expenditure				
Capital expenditure	506.61	29.18	43.76	579.55
Unallocated corporate capital expenditure				25.51
Total				605.06
Significant non-cash adjustments				
Depreciation	315.32	35.41	136.60	487.33
Unallocated corporate depreciation				3.37
Total				490.70
Provision/written off for doubtful debts and advances				53.27

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

Financial information about the business segments for the year ended 30 June 2013 is as follows:

	Software services	Business process outsourcing services	IT Infrastructure services	Total
Segment Revenues	8,269.23	699.62	3,548.97	12,517.82
Segment results	2,790.16	171.45	1,234.03	4,195.64
Unallocated corporate expenses				(46.82)
Finance cost				(76.46)
Other income				197.37
Interest income				181.47
Net profit before taxes				4,451.20
Tax Expense				840.02
Net profit after taxes				3,611.18
Impact of scheme of arrangement relating to earlier period (refer note 2.36)				93.54
Profit for the year				3704.72
Assets				
Segment assets	4,522.09	382.47	2,013.18	6,917.74
Unallocated corporate assets				9,041.59
Total assets				15,959.33
Liabilities				
Segment liabilities	2,226.64	112.09	1,100.25	3,438.98
Unallocated corporate liabilities				2,282.61
Total liabilities				5,721.59
Capital expenditure				
Capital expenditure	281.02	44.65	98.76	424.43
Unallocated corporate capital expenditure				56.15
Total				480.58
Significant non-cash adjustments				
Depreciation	294.32	22.55	119.79	436.66
Unallocated corporate depreciation				5.25
Total				441.91
Provision/written off for doubtful debts and advances				105.07

Segment revenue from customers by geographic area based on location of the customers is as follows:

	Year ended 30 June 2014	Year ended 30 June 2013
America	9,098.85	7,834.32
Europe	4,902.77	3,132.66
India	935.79	563.56
Others	1,559.96	987.28
	16,497.37	12,517.82

Carrying value of segment assets by geographic area based on geographic location of assets is as follows:

	Carrying amount of segment assets	
	30 June 2014	30 June 2013
America	1,530.65	1,414.08
Europe	975.32	861.95
India	18,823.14	13,352.39
Others	485.39	330.91
	21,814.50	15,959.93

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

Total cost incurred during the period to acquire segment fixed assets (tangible and intangible) by geographical location of the assets is as follows:

	Additions to segment fixed assets	
	30 June 2014	30 June 2013
America	-	-
Europe	10.15	2.44
India	594.81	484.56
Others	0.10	0.08
	605.06	487.08

2.28 Related party transactions
(a) Related parties where control exists
Direct Subsidiaries

HCL Comnet Systems & Services Limited
HCL Comnet Limited
HCL Bermuda Limited
HCL Technologies (Shanghai) Limited
HCL Eagle Limited
HCL Singapore Pte. Limited*

Step down Subsidiaries

HCL Great Britain Limited
HCL (Netherlands) BV
HCL Belgium NV
HCL GmbH
HCL Sweden AB
HCL Italy SLR
HCL Australia Services Pty. Limited
HCL (New Zealand) Limited
HCL Hong Kong SAR Limited
HCL Japan Limited
HCL America Inc.
HCL Technologies Austria GmbH
HCL Global Processing Services Limited
HCL BPO Services (NI) Limited
HCL (Malaysia) Sdn. Bhd.
HCL Technologies Solutions Limited
HCL Poland sp. z o.o
HCL EAS Limited
HCL Insurance BPO Services Limited
HCL Expense Management Services Inc.
Axon Group Limited
Bywater Limited
HCL Technologies Solutions GmbH
Axon Solutions Pty. Limited
Axon Solutions Inc.
Axon Acquisition Company, Inc. \$
Axon Solutions Limited
HCL Axon Malaysia Sdn. Bhd.
Axon Solutions Singapore Pte. Limited

Axon Solutions (Shanghai) Co. Limited
HCL Axon (Proprietary) Limited
JSPC-I Solutions Sdn. Bhd.\$
JSP Consulting Sdn. Bhd.\$
HCL Axon Technologies Inc.
HCL Argentina s.a.
HCL Hungary KFT
HCL Latin America Holding LLC
HCL Mexico S. de R.L. DE.C.V.
HCL Technologies Romania s.r.l.
HCL (Brazil) Tecnologia da informacao Ltda.
HCL Technologies Denmark Apps
HCL Technologies Norway AS
PT. HCL Technologies Indonesia Limited
HCL Technologies Philippines Inc.
HCL Technologies South Africa (Proprietary) Limited
HCL Arabia LLC
HCL Technologies France
Filial Espanola De HCL Technologies S.L.
Anzospan Investments Pty Limited
HCL Technologies Chile spa
HCL Investments (UK) Limited
HCL America Solutions Inc.
HCL Technologies UK Limited #
HCL Technologies B.V. ##
HCL (Ireland) Information Systems Limited ###
HCL Technologies Germany GmbH %
HCL Technologies Belgium BVBA. %%
HCL Technologies Sweden AB %%%
HCL Technologies Finland Oy **
*Direct subsidiary w.e.f 08 January 2014
\$ Dissolved on 11 September 2013
\$\$ Dissolved on 20 June 2013
Incorporated on 20 August 2013
Incorporated on 19 September 2013
Incorporated on 29 October 2013
% Incorporated on 21 November 2013
%% Incorporated on 25 November 2013
%%% Incorporated on 18 December 2013
** Incorporated on 14 January 2014

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

Employee benefit trusts

HCL Technologies Limited Employees Trust
 Axon Group Plc Employee Benefit Trust No. 3
 Axon Group Plc Employee Benefit Trust No. 4
 HCL South Africa Share Ownership Trust

b) Related parties with whom transactions have taken place during the year**Direct Subsidiaries**

HCL Comnet Limited
 HCL Technologies (Shanghai) Limited
 HCL Eagle Limited
 HCL Singapore Pte Limited
 HCL Comnet Systems & Services Limited

Step Down Subsidiaries

HCL Great Britain Limited
 HCL (Netherlands) BV
 HCL Belgium NV
 HCL GmbH
 HCL Sweden AB
 HCL Italy SLR
 HCL (New Zealand) Limited
 HCL Hong Kong SAR Limited
 HCL Japan Limited
 HCL America Inc.
 HCL Technologies Romania s.r.l
 HCL Axon Solutions Sdn. Bhd
 HCL (Brazil) Tecnologia da informacao Ltda.
 HCL Technologies Denmark Apps
 HCL Technologies Norway AS
 HCL Poland sp. z o.o
 HCL Hungry Kft
 HCL Insurance BPO Services Limited
 PT. HCL Technologies Indonesia Limited
 HCL Technologies Philippines Inc.
 HCL Technologies South Africa (Proprietary) Limited
 Axon Solutions Limited

Axon Solutions Inc.
 Axon Solutions Singapore Pte. Limited
 Axon Solutions (Shanghai) Co. Limited
 HCL Axon Technologies Inc.
 HCL Argentina s.a.
 HCL Mexico S. de R.L.
 HCL Technologies France
 Filial Espanola De HCL Technologies S.L.
 HCL Technologies UK Ltd.
 HCL America Solutions Inc.
 HCL Technologies Chile spa
 HCL Arabia LLC
 HCL Axon (Pty) Ltd.
 HCL Technologies Austria GmbH
 HCL Australia Services Pty. Ltd.

Associates

Statestreet HCL Services (India) Private Limited

Significant influence

Vama Sundari Investments (Delhi) Private Limited
 Vama Sundari Investments (Pondi) Private Limited
 HCL Corporation Private Limited
 HCL Infosystems Limited
 HCL Holding Private Limited
 HCL Insys Pte Ltd., Singapore
 HCL Infotech Limited
 Slocum Management Consultancy Pvt. Ltd.
 HCL Services Limited
 Digilife Distribution and Marketing Services Limited
 SSN Investments (Pondi) Private Limited
 Naksha Enterprises Private Limited
 HCL Learning Limited
 Shiv Nadar Foundation

c) Key Management Personnel

Shiv Nadar, Chairman and Chief Strategy Officer
 Vineet Nayar, Vice Chairman and Joint Managing Director
(upto 31st July 2013)

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

d) Transactions with related parties during the year

	Revenues		Other expenses#		Interest expenses		Interest income		Corporate guarantee fees	
	Year ended 30 June		Year ended 30 June		Year ended 30 June		Year ended 30 June		Year ended 30 June	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Subsidiaries										
- HCL America Inc.	6,293.01	4,751.21	593.69	435.83	-	0.16	-	0.10	7.50	4.86
- HCL Great Britain Limited	1,184.44	767.03	197.50	114.55	-	-	-	-	0.42	0.45
- HCL Australia Services Pty. Limited	478.56	484.38	25.62	4.05	-	-	-	-	0.05	0.02
- HCL Comnet Limited	0.26	3.79	46.00	90.27	-	7.37	-	-	-	-
- HCL Sweden AB	289.75	161.50	22.00	16.99	-	-	-	-	-	-
- HCL Netherlands B.V.	172.19	154.68	6.11	14.74	-	-	-	-	1.12	0.43
- HCL Insurance BPO Services Limited	-	-	-	-	-	-	-	-	(15.41)	14.05
- Others	1,148.20	671.02	282.26	279.85	-	-	-	-	1.39	0.51
Total (A)	9,566.41	6,993.61	1,173.18	956.28	-	7.53	-	0.10	(4.93)	20.32
Jointly controlled entities										
- NEC HCL System Technologies Limited	-	5.90	-	-	-	-	-	-	-	-
- Statestreet HCL Services (India) Private Limited	8.74	2.95	-	-	-	-	-	-	-	-
Total (B)	8.74	8.85	-	-	-	-	-	-	-	-
Significant influence										
- HCL Infosystems Limited	36.66	8.60	84.86	81.87	-	-	-	-	-	-
- Digilife Distribution and Marketing Services Limited	-	-	8.00	-	-	-	-	-	-	-
- HCL Infotech Limited	104.83	-	0.12	-	-	-	-	-	-	-
- HCL Services Limited	-	-	4.59	-	-	-	-	-	-	-
- Others	1.10	-	0.32	0.27	-	-	-	-	-	-
Total (C)	142.59	8.60	97.89	82.14	-	-	-	-	-	-
Total (A+B+C)	9,717.74	7,011.06	1,271.07	1,038.42	-	7.53	-	0.10	(4.93)	20.32

#other expenses includes Consulting charge expense, rent expense and software license fees.

d) Transactions with related parties during the year (continued)

	Dividend income		Purchase of capital equipments		Investments		Dividend paid		Other Income (Gain on sale of building)		Interest on debentures	
	Year ended 30 June		Year ended 30 June		Year ended 30 June		Year ended 30 June		Year ended 30 June		Year ended 30 June	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Subsidiaries												
- HCL Comnet Systems & Services Limited	-	-	-	-	-	(12.87)	-	-	-	-	-	-
- HCL Comnet Limited	-	-	0.08	8.96	-	-	-	-	-	-	-	-
- HCL Bermuda Limited	-	-	-	-	-	464.60	-	-	-	-	-	-
- HCL Singapore Pte. Limited	24.68	8.28	-	-	-	-	-	-	-	-	-	-
Total (A)	24.68	8.28	0.08	8.96	-	451.73	-	-	-	-	-	-
Jointly controlled entities												
- NEC HCL System Technologies Limited	-	-	-	-	-	(10.78)	-	-	-	-	-	-
Total (B)	-	-	-	-	-	(10.78)	-	-	-	-	-	-
Significant influence												
- HCL Infosystems Limited	-	-	27.11	19.70	-	-	-	-	-	-	-	-
- Vama Sundari investments (Delhi) private limited	-	-	-	-	-	-	304.95	311.97	-	-	-	-
- HCL Holding Private Limited.	-	-	-	-	-	-	119.55	119.55	-	-	-	-
- Shiv Nadar Foundation	-	-	-	-	-	-	4.48	-	-	-	-	-
- HCL Corporation Private Limited	-	-	-	-	-	-	-	-	-	-	-	0.48
- HCL Infsys Pte. Ltd.	-	-	9.52	1.53	-	-	-	-	-	-	-	-
- Vama Sundari investments (Pondi) Private limited	-	-	-	-	-	-	-	-	46.66	-	-	-
- Others	-	-	0.47	0.46	-	-	-	-	-	-	-	-
Total (C)	-	-	37.10	21.69	-	-	428.98	431.52	46.66	-	-	0.48
Total (A+B+C)	24.68	8.28	37.18	30.65	-	440.95	428.98	431.52	46.66	-	-	0.48

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

d) Transactions with related parties during the year (continued)

	Repayment of loans given to subsidiaries		Loans given to subsidiaries		Repayment of Loans taken from subsidiaries		Payment for use of facilities		Receipt for use of facilities	
	Year ended 30 June		Year ended 30 June		Year ended 30 June		Year ended 30 June		Year ended 30 June	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Subsidiaries										
- HCL Comnet Limited	414.00	-	-	-	82.00	-	1.20	-	0.33	0.33
- HCL Eagle Limited	-	-	-	-	-	-	-	-	2.97	2.18
Total (A)	414.00	-	-	-	82.00	-	1.20	-	3.30	2.51
Jointly controlled entities										
Statestreet HCL Services (India) Private Limited	-	-	-	0.01	-	-	-	-	-	-
Total (B)	-	-	-	0.01	-	-	-	-	-	-
Significant influence										
- HCL Infosystems Limited	-	-	-	-	-	-	1.64	1.55	-	-
- Others	-	-	-	-	-	-	0.79	0.80	-	-
Total (C)	-	-	-	-	-	-	2.43	2.35	-	-
Total (A+B+C)	414.00	-	-	0.01	82.00	-	3.63	2.35	3.30	2.51

Transactions with Key Managerial personnel during the year

	Year ended 30 June	
	2014	2013
Chairman and Chief Strategy Officer		
i) Remuneration	12.07	11.90
Vice Chairman and Joint Managing Director		
i) Remuneration	1.47	8.29
ii) Dividend paid (includes shares held through family trust)	-	0.20
iii) Stock options		
- Exercised - No's (options)	-	2,50,000
- Exercise price - ₹	-	8

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

e) Outstanding balances with related parties

	Trade receivables		Trade payables		Income received in advance		Capital accounts payables (includes supplier credit)	
	As at 30 June		As at 30 June		As at 30 June		As at 30 June	
	2014	2013	2014	2013	2014	2013	2014	2013
Subsidiaries								
- HCL America Inc.	1,036.83	984.78	160.06	131.36	166.57	232.55	-	-
- HCL Great Britain Limited	257.45	231.74	19.85	22.86	80.51	151.54	-	-
- HCL Singapore Pte. Limited	22.67	22.36	3.76	15.83	6.13	8.73	-	-
- HCL Australia Services Pty. Limited	33.18	65.83	7.11	0.74	4.36	8.79	-	-
- HCL Sweden AB	54.08	100.26	2.65	1.70	18.98	5.57	-	-
- Others	260.82	181.98	81.49	47.16	39.52	27.89	-	-
Total (A)	1,665.03	1,586.95	274.92	219.65	316.07	435.07	-	-
Jointly controlled entities								
- NEC HCL System Technologies Limited	-	-	-	-	-	-	-	-
- Statestreet HCL Services (India) Pvt.Ltd.	0.78	0.23	0.08	0.01	-	-	-	-
Total (B)	0.78	0.23	0.08	0.01	-	-	-	-
Significant influence								
- HCL Infosystems Limited	22.36	5.95	0.01	0.88	1.75	-	29.21	0.72
- HCL Infotech Limited	71.86	-	-	-	12.30	-	-	-
- Others	-	-	-	0.05	-	-	3.04	0.02
Total (C)	94.22	5.95	0.01	0.93	14.05	-	32.25	0.74
Total (A+B+C)	1,760.03	1,593.13	275.01	220.59	330.12	435.07	32.25	0.74

e) Outstanding balances with related parties - Continued

	Interest accrued but not due on borrowings		Advance received from customers		Loans outstanding		Guarantee outstanding	
	As at 30 June		As at 30 June		As at 30 June		As at 30 June	
	2014	2013	2014	2013	2014	2013	2014	2013
Subsidiaries								
- HCL America Inc.	-	-	-	-	-	-	989.48	988.27
- HCL Technologies Solutions Limited	-	-	-	-	-	-	-	2.02
- HCL Comnet Limited	-	0.55	-	-	-	82.00	-	-
- HCL Great Britain Limited	-	-	-	-	-	-	55.07	52.02
- HCL Bermuda Limited	-	-	-	-	-	-	102.62	90.50
- HCL Japan Limited	-	-	-	-	-	-	18.06	17.82
- HCL Insurance BPO services Limited	-	-	-	-	-	-	430.99	380.12
- HCL Singapore Pte Limited.	-	-	-	-	-	-	178.15	175.79
- HCL Netherlands B.V	-	-	-	-	-	-	-	139.74
- HCL Eagle Limited	-	-	-	7.36	-	-	-	-
- Others	-	-	-	-	-	-	6.02	5.93
Total	-	0.55	-	7.36	-	82.00	1,780.39	1,852.21

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

e) Outstanding balances with related parties-Continued

	Liabilities for expenses		Capital advances		Long term income received in advance		Supplier credit	
	As at 30 June		As at 30 June		As at 30 June		As at 30 June	
	2014	2013	2014	2013	2014	2013	2014	2013
Subsidiaries								
- HCL America Inc.	109.99	105.43	-	-	86.65	26.23	-	-
- HCL Great Britain Limited	57.80	18.26	-	-	57.59	8.22	-	-
- HCL Comnet Limited	6.34	46.52	-	-	-	-	-	-
- Others	45.60	34.11	-	-	34.37	0.69	-	-
Total (A)	219.73	204.32	-	-	178.61	35.14	-	-
Significant influence								
- HCL Infosystems Limited	7.00	7.28	0.02	0.43	-	-	3.94	52.38
- Digilife Distribution and Marketing Services Limited	-	-	-	-	-	-	6.59	-
- Others	0.98	-	-	0.65	-	-	-	-
Total (B)	7.98	7.28	0.02	1.08	-	-	10.53	52.38
Total (A+B)	227.71	211.60	0.02	1.08	178.61	35.14	10.53	52.38

e) Outstanding balances with related parties-Continued

	Loans and advances		Unbilled revenue		Deferred cost		Advance against sale of building		Interest receivables	
	As at 30 June		As at 30 June		As at 30 June		As at 30 June		As at 30 June	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Subsidiaries										
- HCL America Inc.	11.88	11.82	350.20	204.25	-	-	-	-	-	0.07
- HCL Great Britain Limited	11.13	8.60	119.13	93.89	-	-	-	-	-	-
- HCL Comnet Limited	0.59	425.73	4.51	4.12	5.71	2.50	-	-	-	-
- HCL Australia Services Pty. Limited	0.87	1.03	18.83	23.60	-	-	-	-	-	-
- Others	18.30	6.75	50.32	51.66	-	-	-	-	-	-
Total (A)	42.77	453.93	542.99	377.52	5.71	2.50	-	-	-	0.07
Jointly controlled entities										
- Statestreet HCL Services (India) Pvt.Ltd.	0.06	0.07	2.59	2.95	-	-	-	-	-	-
Total (B)	0.06	0.07	2.59	2.95	-	-	-	-	-	-
Significant influence										
- HCL Infosystems Limited	6.10	15.56	9.92	16.47	-	-	-	-	-	-
- SSN Investment(Pondi) Private Limited	-	-	-	-	-	-	108.00	-	-	-
- Others	0.14	-	-	-	-	-	-	-	-	-
Total (C)	6.24	15.56	9.92	16.47	-	-	108.00	-	-	-
Total (A+B+C)	49.07	469.56	555.50	396.94	5.71	2.50	108.00	-	-	0.07

2.29 Research and development expenditure

	Year ended 30 June 2014	Year ended 30 June 2013
Revenue	152.73	157.92
Capital	-	-
	152.73	157.92

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

2.30 Commitments and Contingent liabilities

a)

	As at 30 June 2014	As at 30 June 2013
i) Capital and other commitments		
Capital commitments		
Estimated amount of unexecuted capital contracts (net of advances)	743.03	1,139.47
	743.03	1,139.47
ii) Contingent Liabilities		
Others	1.42	5.29
Total	1.42	5.29

The amounts shown in the item above represent best possible estimates arrived at on the basis of available information. The possible outflows on account of contingent liabilities are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be predicted accurately. The Company engages reputed professional advisors to protect its interest and has been advised that it has strong legal positions against such disputes.

- b) Guarantees have been given by the Company on behalf of various subsidiaries against credit facilities, financial assistance and office premises taken on lease amounting to ₹1780.39 crores (Previous year ₹1,852.21 crores). These guarantees have been given in the normal course of the Company's operations and are not expected to result in any loss to the Company, on the basis of the beneficiaries fulfilling their ordinary commercial obligations.
- c) Bank guarantees of ₹44.89 crores (Previous year ₹45.94 crores). These guarantees have been given in the normal course of the Company's operations and are not expected to result in any loss to the Company, on the basis of the Company fulfilling its ordinary commercial obligations.
- d) The Company has negotiated extended interest bearing credit terms with certain vendors and has outstanding letters of credit of ₹949.88 crores (Previous year ₹430.33 crores) in this respect for extended payment terms up to 360 days. Interest rate on these arrangements ranges from 1.5%p.a. to 10.0%p.a.

The Company also has letters of credit amounting to ₹2.44 crores (Previous year ₹0.29 crores) outstanding as at 30 June 2014 in the normal course of business.

- e) The Company has a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company appoints independent consultants annually for conducting transfer pricing study to determine whether transactions with associated enterprises undertaken during the financial year, are on an "arms length basis". Adjustments, if any, arising from the transfer pricing study in the respective jurisdictions shall be accounted for as and when the study is completed for the current financial year. The management is of the opinion that its international transactions are at arms' length so that the aforesaid legislation will not have any impact on the financial statements.

2.31 Derivative Financial Instruments

The Company is exposed to foreign currency fluctuations on foreign currency assets / liabilities and forecast cash flows denominated in foreign currency. The use of derivatives to hedge foreign currency forecast cash flows is governed by the Company's strategy, which provides principles on the use of such forward contracts and currency options consistent with the Company's Risk Management Policy. The counter parties in these derivative instruments are banks and the Company considers the risks of non-performance by the counterparty as non-material. A majority of the forward foreign exchange/option contracts mature within one to twelve months and the forecast transactions are expected to occur during the same period. The Company does not use forward contracts and currency options for speculative purposes.

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

The following table presents the aggregate contracted principal amounts of the Company's derivative contracts outstanding:-

Sell Covers	As at 30 June 2014	As at 30 June 2013
Foreign Currency	₹Equivalent	
USD/INR	3,803.23	8,319.67
GBP/INR	123.15	452.50
Euro/INR	300.07	1,129.71
Euro/USD	84.18	-
AUD/INR	-	16.44
AUD/USD	67.87	-
CHF/USD	47.35	-
SEK/USD	5.93	-
	4,431.78	9,918.32

Options	As at 30 June 2014	As at 30 June 2013
	₹Equivalent	
Range Forward		
USD/INR	1,508.75	545.50
GBP/INR	302.75	-
Euro/INR	313.22	-
AUD/INR	16.97	-
Total	2,141.69	545.50

The following table summarizes the activity in the hedging reserve related to all derivatives classified as cash flow hedges during the years ended 30 June 2014 and 2013.

	Year ended 30 June 2014	Year ended 30 June 2013
(Loss)/Gain as at the beginning of the year	(631.27)	(479.51)
Unrealized loss on cash flow hedging derivatives during the year	(174.63)	(218.99)
Net losses reclassified into net income on occurrence of hedged transactions	544.57	67.23
Net losses reclassified into net income as hedged transactions are not likely to occur	-	-
Loss as at the end of the year (refer note 1 and 2 below)	(261.33)	(631.27)

As of the balance sheet date, the Company's net foreign currency exposure that is not hedged is ₹942.96 crores (Previous year ₹1,330.04 crores).

Notes:

1. The above balance as at year end is inclusive of deferred tax assets of ₹51.05 crores (Previous year deferred tax assets of ₹142.75 crores).
2. At 30 June 2014, the estimated net amount of existing loss that is expected to be reclassified into the income statement within the next twelve months is ₹132.89 crores (Previous year loss of ₹386.53 crores).

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

2.32. Earnings per equity share (EPS)

	Year ended 30 June 2014	Year ended 30 June 2013
Net profit as per statement of profit and loss for computation of EPS	5,984.62	3,704.72
Less: Impact of scheme of arrangement relating to earlier period	-	93.54
Profit for the year before impact of scheme of arrangement relating to earlier period	5,984.62	3,611.18
Weighted average number of shares outstanding in computation of basic EPS	698,616,947	694,783,323
Dilutive effect of stock options outstanding	9,497,266	11,501,304
Weighted average number of equity shares and equity equivalent shares outstanding in computing diluted EPS	708,114,213	706,284,627
Nominal value of equity shares (in ₹)	2	2
Earnings per equity share (in ₹) computed on the basis of profit for the year		
- Basic	85.66	53.32
- Diluted	84.51	52.45
Earnings per equity share (in ₹) computed on the basis of profit for the year before impact of scheme of arrangement relating to earlier period		
- Basic	85.66	51.98
- Diluted	84.51	51.13

2.33. Micro and Small Enterprises

As per information available with the management, the dues payable to enterprises covered under "The Micro, Small and Medium Enterprises Development Act, 2006" are as follows:

	For the year ended 30 June 2014		For the year ended 30 June 2013	
	Principal	Interest	Principal	Interest
Amount due to Vendor	0.03	0.00	0.04	-
Principal amount paid beyond the appointed date	-	-	-	-
Interest under normal credit terms -				
Accrued and unpaid during the year	-	-	-	-
Total Interest payable -				
Accrued and unpaid during the year	-	0.01	-	-

This has been determined on the basis of responses received from vendors on specific confirmation sought by the Company in this regard.

2.34. Employee Benefit Plans

The Company has calculated the various benefits provided to employees as under

A. Defined Contribution Plans and State Plans

Superannuation Fund

Employer's contribution to Employees State Insurance

Employer's contribution to Employee Pension Scheme

During the year the Company has recognized the following amounts in the statement of profit and loss:-

	Year ended 30 June 2014	Year ended 30 June 2013
Superannuation Fund	2.02	2.20
Employer's contribution to Employees State Insurance	3.20	2.87
Employer's contribution to Employee's Pension Scheme	40.98	40.29
Total	46.20	45.36

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

B. Defined Benefit Plans

- a) Gratuity
- b) Employer's Contribution to Provident Fund

Gratuity

The Company has an unfunded defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure of 15 days base salary (last drawn salary) for each completed year of service.

The following table sets out the status of the gratuity plan:

Statement of profit and loss

Net employee benefit expense (recognized in employee cost)

	Year ended 30 June 2014	Year ended 30 June 2013
Current service cost	43.38	37.03
Interest cost on benefit obligation	15.97	14.38
Net actuarial(gain) loss recognized in the year	(25.67)	5.57
Past service cost	-	-
Net benefit expense	33.68	56.98

Balance Sheet

Details of provision for gratuity

	Year ended 30 June 2014	Year ended 30 June 2013
Defined benefit obligations	207.94	188.38
Fair value of plan assets	-	-
	207.94	188.38
Less: Unrecognized past service cost	-	-
Plan liability	207.94	188.38

Changes in present value of the defined benefit obligation are as follows:

	Year ended 30 June 2014	Year ended 30 June 2013
Opening defined benefit obligations	188.38	149.47
Current service cost	43.38	37.03
Interest cost	15.97	14.38
Actuarial(gain) loss on obligation	(25.67)	5.57
Benefits paid	(14.12)	(18.07)
Closing defined benefit obligations	207.94	188.38

The principal assumptions used in determining gratuity for the Company's plans are shown below:

	Year ended 30 June 2014	Year ended 30 June 2013
Discount rate	8.80%	7.45%
Estimated Rate of salary increases	7%	7%
Employee Turnover	21%	17%
Expected rate of return on assets	N.A.	N.A.

The estimates of future salary increases, considered in the actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

The following table sets out the experience adjustment to plan liabilities as required under AS-15 (Revised):

	Year ended 30 June				
	2014	2013	2012	2011	2010
Defined benefit obligations	207.94	188.38	140.65	100.58	85.00
Experience adjustment to plan liabilities	(8.78)	(1.19)	7.69	6.75	2.21

Employer's contribution to provident fund

The actuary has provided a valuation and based on the assumption mention below, there is no shortfall as at 30 June, 2014 and 30 June, 2013.

The details of the fund and plan asset position are given below:-

	30 June 2014	30 June 2013
Plan assets at the year end	1,487.05	1,197.65
Present value of benefit obligation at year end	1,487.05	1,197.65
Asset recognized in balance sheet	-	-

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach.

	30 June 2014	30 June 2013
Government of India(GOI) bond yield	8.80%	7.45%
Remaining term of maturity	9.40 Years	9.29 Years
Expected guaranteed interest rate	8.75%	8.50%

During the year ended 30 June 2014, the Company has contributed ₹92.79 crores (Previous year ₹86.01 crores) towards employer's contribution to the provident fund.

2.35 Joint Venture
NEC HCL System Technologies Ltd.

During the previous year, the Company has sold stake in its joint venture NEC HCL System Technologies Limited ("NECH") resulting in a profit of ₹12.41 crores. Details are given below:-

	Year ended 30 June 2013
Revenue from operations	57.81
Other income	2.12
Total revenue	59.93
Employee benefit expenses	26.54
Operating and other expenses	13.33
Depreciation and Amortization expense	1.36
Total	41.23
Profit before Tax	18.70
Provision for tax	6.29
Net profit after tax	12.41

2.36 During the previous year, in accordance with a Scheme of arrangement under Sections 391 to 394 of the Companies Act, 1956, approved by the Hon'ble High Court of Delhi vide its order dated 12 April 2013, the IT enabled services division of HCL Comnet Systems & Services Limited, a subsidiary, has been demerged and transferred to the Company on a going concern basis with effect from 1 April 2012, the appointed date.

The consideration for transfer as per the above mentioned scheme has been settled by issue of 10,125 equity shares of ₹2 each in the ratio of 227 equity shares of the Company of ₹2 each for every 100 equity shares of ₹10/-each, held by outside shareholders of HCL Comnet Systems & Services Limited.

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

In view of the above, the net profit of the transferred division for the period 1 April, 2012 to 30 June, 2012 has been reflected in the statement of profit of loss for the previous year ended 30 June, 2013 of the Company after profit after tax. A sum of ₹119.54 crores being the excess of net assets of the transferred division over the consideration paid, has been included in the balance sheet of the Company as on 30 June 2013 as Capital Reserve. The results of the operations of the transferred division for the period 1 July, 2012 to 30 June, 2013 have been included in the statement of profit and loss for the previous year ended 30 June, 2013.

Assets and Liabilities of transferred division are as under:

	Amount
Assets	
Fixed assets (Includes capital work in progress ₹3.82 crores)	47.75
Deferred tax assets	20.13
Non-current investments	279.74
Long term loans and advances	4.71
Other non-current assets	2.80
Trade receivables	158.15
Cash and bank balances	21.60
Short -term loans and advances	585.63
Other current assets	30.34
Total	1,150.85
Liabilities	
Long term borrowings	0.91
Long term provisions	9.58
Trade payables	60.10
Other current liabilities	87.58
Short term provisions	27.98
Total	186.15
Net assets acquired under the scheme of arrangement	964.70
Less: Credit balance of profit and loss account of transferred division	831.81
Less: Aggregate value of equity shares issued by the Company under the scheme of arrangement	0.48
Excess of the Net assets acquired	132.41
Diminution in the value of investment	12.87
Remaining excess of the net assets transferred to Capital Reserve as on 1 April 2012	119.54

Result of operations of transferred division for the period 1 April 2012 to 30 June 2012

	Amount
Income	
Revenue from operations	249.90
Other income	12.88
Total revenue	262.78
Expenses	
Employee benefit expenses	61.15
Finance costs	0.18
Depreciation and amortization expense	7.14
Other expenses	58.79
Total expenses	127.26
Profit before tax	135.52
Provision for tax	41.98
Profit after tax	93.54

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

Further, net cash flows for the period 1 April, 2012 to 30 June, 2012 pertaining to the transferred division on account of operating, investing and financing activities aggregating ₹128.54 crores, ₹(119.04) crores and ₹0.23 crores respectively have been included in the statement of cash flows for the previous year ended 30 June, 2013 as separate line item under the respective heads.

2.37 Particulars of purchases, sales and closing stock of trading goods:

ITEMS	Opening Stock	Purchases	Sales	Closing Stock
	Value (₹)	Value (₹)	Value (₹)	Value (₹)
Software Licenses	21.98	28.94	54.52	2.33
	(15.78)	(58.32)	(58.13)	(21.98)
Servers	3.73	190.47	220.34	4.04
	(5.34)	(37.04)	(43.39)	(3.73)
Storage devices	0.70	38.23	49.55	0.07
	(1.89)	(27.78)	(51.23)	(0.70)
Routers	1.60	3.78	10.03	0.13
	(8.21)	(1.21)	(8.93)	(1.60)
Switches	2.59	6.75	18.07	0.15
	(2.39)	(2.58)	(3.11)	(2.59)
Others*	49.69	77.20	129.62	8.82
	(54.51)	(124.73)	(131.05)	(49.69)
Total	80.29	345.37	482.13	15.54
	(88.12)	(251.66)	(295.84)	(80.29)

* Does not include any item which in value individually accounts for 10% or more of the total value of sales/ stock

Notes: previous year figures are given in brackets.

2.38 CIF value of imports

	Year ended 30 June 2014	Year ended 30 June 2013
Capital goods	138.25	133.95
	138.25	133.95

2.39 Auditors' remuneration *

	Year ended 30 June 2014	Year ended 30 June 2013
A. As Auditors		
Statutory audit	2.42	2.20
Tax audit fees	0.28	0.25
Out of pocket expenses	0.20	0.20
B. For Certification	0.39	0.39
	3.29	3.04

* excluding service tax

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

2.40 Expenditure in foreign currency (on accrual basis)

	Year ended 30 June 2014	Year ended 30 June 2013
Outsourcing costs	1,072.21	846.67
Travel	194.53	123.00
Rates and taxes	3.16	9.74
Software license fee	59.29	16.50
Communication costs	19.15	13.74
Professional fees	23.94	9.10
Cost of materials	-	37.06
Provision for doubtful debts	-	36.65
Recruitment training and development	6.60	2.95
Repair and maintenance	6.58	23.25
Dues & Subscription	11.35	8.05
Others	22.59	4.93
	1419.40	1,131.64

2.41 Earnings in foreign currency(on accrual basis)

	Year ended 30 June 2014	Year ended 30 June 2013
Income from services	14,239.77	11,381.19
	14,239.77	11,381.19

2.42 Dividend remitted in foreign currency

	Year ended 30 June 2014	Year ended 30 June 2013
Final dividend		
Number of non-resident shareholders	56	64
Number of shares held	119,980,029	120,071,159
Amount remitted in ₹(net of tax)	71.99	48.03
Amount remitted FCY	\$11,612,844	\$8,876,489
Year to which it relates	2012-13	2011-12
1st Interim dividend		
Number of non-resident shareholders	56	64
Number of shares held	119,953,649	120,071,159
Amount remitted in ₹(net of tax)	23.99	24.01
Amount remitted FCY	\$3,901,249	\$4,438,245
Year to which it relates	2013-14	2012-13
2nd Interim dividend		
Number of non-resident shareholders	53	60
Number of shares held	119,979,529	120,058,984
Amount remitted in ₹(net of tax)	47.99	24.01
Amount remitted FCY	\$7,714,485	\$4,454,879
Year to which it relates	2013-14	2012-13

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

2.42 Dividend remitted in foreign currency (Contd.)

	Year ended 30 June 2014	Year ended 30 June 2013
3rd Interim dividend		
Number of non-resident shareholders	50	59
Number of shares held	119,942,486	120,033,843
Amount remitted in ₹(net of tax)	47.98	24.01
Amount remitted FCY	\$7,917,322	\$4,422,765
Year to which it relates	2013-14	2012-13

2.43 Previous year figures have been rearranged to conform to the current year's classification.**As per our report of even date**

FOR S. R. BATLIBOI & CO. LLP
ICAI Firm Registration Number : 301003E
Chartered Accountants

per Tridibes Basu
Partner
Membership Number: 17401

Gurgaon, India
31 July 2014

For HCL Technologies Limited

Shiv Nadar
Chairman and Chief Strategy Officer

Anant Gupta
President and Chief Executive Officer

Noida (UP), India
31 July 2014

Amal Ganguli
Director

Anil Chanana
Chief Financial Officer

Manish Anand
Company Secretary

Consolidated Statements

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of HCL Technologies Limited

We have audited the accompanying consolidated financial statements of HCL Technologies Limited and its subsidiaries (together referred to as ("the Group") and joint venture and associates, which comprise the Consolidated Balance Sheet as at June 30, 2014, and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's

preparation and presentation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the Consolidated Financial Statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at June 30, 2014;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For S.R. BATLIBOI & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E

per Tridibes Basu

Partner

Membership Number: 17401

Place of Signature: Gurgaon, India

Date: July 31, 2014

Consolidated Balance Sheet as at 30 June 2014

(All amounts in crores of ₹)

	Note No.	As at 30 June 2014	As at 30 June 2013
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	3.1	140.00	139.37
(b) Reserves and surplus	3.2	19,402.18	13,019.61
		19,542.18	13,158.98
(2) Share application money pending allotment	3.3	7.65	5.01
(3) Minority interest		57.33	44.68
(4) Non - current liabilities			
(a) Long-term borrowings	3.4	200.64	796.73
(b) Other long-term liabilities	3.5	735.75	720.21
(c) Long term provisions	3.6	194.36	199.81
		1,130.75	1,716.75
(5) Current liabilities			
(a) Short term borrowings	3.7	205.83	128.52
(b) Trade payables	3.8	468.48	401.38
(c) Other current liabilities	3.8	7,105.30	5,220.73
(d) Short term provisions	3.9	1,462.17	1,723.27
		9,241.78	7,473.90
TOTAL		29,979.69	22,399.32
II. ASSETS			
(1) Non-current assets			
(a) Fixed Assets			
(i) Tangible assets	3.10	2,657.52	2,192.54
(ii) Intangible assets	3.10	4,786.42	4,560.00
(iii) Capital work in progress		530.95	493.84
		7,974.89	7,246.38
(b) Non-current investments	3.11	55.40	85.87
(c) Deferred tax assets (net)	3.12	814.96	741.88
(d) Long term loans and advances	3.13	1,429.49	1,273.96
(e) Other non-current assets	3.14	375.32	417.71
		10,650.06	9,765.80
(2) Current Assets			
(a) Current investments	3.11	606.29	627.17
(b) Inventories	3.15	122.30	231.50
(c) Trade receivables	3.16	5,682.84	4,497.15
(d) Cash and bank balances	3.17	8,807.30	3,577.11
(e) Short-term loans and advances	3.18	1,589.93	1,571.81
(f) Other current assets	3.19	2,520.97	2,128.78
		19,329.63	12,633.52
TOTAL		29,979.69	22,399.32
Summary of significant accounting policies	1 to 3		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For HCL Technologies Limited
FOR S. R. BATLIBOI & CO. LLP
ICAI Firm Registration Number : 301003E
Chartered Accountants

Shiv Nadar
Chairman and Chief Strategy Officer

Amal Ganguli
Director

per Tridibes Basu
Partner
Membership Number: 17401

Anant Gupta
President and Chief Executive Officer

Anil Chanana
Chief Financial Officer

Manish Anand
Company Secretary

Gurgaon, India
31 July 2014

Noida (UP), India
31 July 2014

Consolidated Statement of Profit and Loss for the year ended 30 June 2014

(All amounts in crores of ₹)

	Note No.	Year ended 30 June 2014	Year ended 30 June 2013
Income			
Revenue from operations	3.20	32,143.66	25,581.06
Other income	3.21	677.40	351.11
Total revenue		32,821.06	25,932.17
Expenses			
Cost of materials	3.22	1,028.98	959.34
Employee benefits expense	3.23	14,906.36	12,574.17
Finance costs	3.24	114.50	105.62
Depreciation and amortization expense	3.10	680.86	636.76
Other expenses	3.25	8,173.03	6,386.39
Total expenses		24,903.73	20,662.28
Profit before tax		7,917.33	5,269.89
Tax expense			
Current tax		(1,692.25)	(1,258.89)
Less: MAT credit entitlement		120.36	84.78
Add: MAT credit entitlement written off		-	(70.35)
Net current tax		(1,571.89)	(1,244.46)
Deferred tax credit		162.32	19.15
Profit after tax and before minority interest / share of profit (loss) of associates		6,507.76	4,044.58
Share of profit (loss) of associates		20.06	(0.21)
Share of profit of minority interest		(18.31)	(4.28)
Profit for the year		6,509.51	4,040.09
Earnings per equity share of ₹2 each	3.27		
Basic (in ₹)		93.18	58.15
Diluted (in ₹)		91.93	57.20
Summary of significant accounting policies	1 to 3		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For HCL Technologies Limited
FOR S. R. BATLIBOI & CO. LLP
 ICAI Firm Registration Number : 301003E
 Chartered Accountants

Shiv Nadar
 Chairman and Chief Strategy Officer

Amal Ganguli
 Director

per Tridibes Basu
Partner
 Membership Number: 17401

Anant Gupta
 President and Chief Executive Officer

Anil Chanana
 Chief Financial Officer

Manish Anand
 Company Secretary

 Gurgaon, India
 31 July 2014

 Noida (UP), India
 31 July 2014

Consolidated Cash flow statement

(All amounts in crores of ₹)

	Year ended 30 June 2014	Year ended 30 June 2013
A. Cash flows from operating activities		
Profit before tax	7,917.33	5,269.89
Adjustment for:		
Depreciation and amortization	680.86	636.76
Interest income	(544.86)	(213.32)
Dividend income	-	(23.95)
Profit on sale of investments (net)	(58.73)	(16.57)
Profit on sale of long term investment in Joint Venture	-	(26.68)
Loss on sale of business	-	13.19
Interest expenses	54.33	70.70
Profit on sale of fixed assets (net)	(47.82)	(0.07)
Employee stock compensation expense	30.92	14.97
Other non cash charges	113.77	180.38
Operating profit before working capital changes	8,145.80	5,905.30
Movement in Working Capital		
(Increase) / decrease in trade receivables	(1,188.47)	(638.90)
(Increase) / decrease in inventories	113.03	2.16
(Increase) / decrease in loans and advances	(172.82)	(367.33)
(Increase) / decrease in other assets	(185.70)	(285.02)
Increase / (decrease) in other liabilities and provisions	1,189.90	1,139.62
Cash generated from operations	7,901.74	5,755.83
Direct taxes paid (net of refunds)	(1,444.96)	(1,264.18)
Net cash flow from operating activities (A)	6,456.78	4,491.65
B. Cash flows from investing activities		
Proceeds from bank deposit on maturity	2,861.22	2,364.85
Investments in bank deposits	(7,785.10)	(3,849.07)
Purchase of investments in securities	(7,852.04)	(4,771.15)
Proceeds from sale of investments in securities	7,985.26	4,751.09
Payment for investment in mutual fund - units allotted on 01-July-2014	(59.00)	-
Deposits placed with body corporate	(571.00)	(692.00)
Proceeds from maturity of deposits placed with body corporate	742.00	50.00
Purchase of fixed assets, including intangible assets, Capital work in progress and capital advances	(719.56)	(618.69)
Proceeds from sale of fixed assets	60.74	1.63
Advance against sale of building	180.00	-
Proceeds from sale of business (refer note 2(a))	-	196.79
Proceeds from sale of long term investment in Joint Venture	-	66.32
Interest received	500.93	175.31
Dividend received	-	23.95
Taxes paid	(183.55)	(52.91)
Net cash flow used in investing activities (B)	(4,840.10)	(2,353.88)

Consolidated Cash flow statement (Contd.)

(All amounts in crores of ₹)

	Year ended 30 June 2014	Year ended 30 June 2013
C. Cash flows from financing activities		
Proceeds from issue of share capital	34.47	33.60
Repayment of debentures	-	(330.00)
Proceeds from long term borrowings	11.34	65.06
Repayment of long term borrowings	(33.70)	(619.13)
Proceeds from short term borrowings	73.47	48.19
Repayment of short term borrowings	-	(391.99)
Interest paid	(54.46)	(74.75)
Dividend paid	(1,118.39)	(694.55)
Corporate dividend tax	(184.45)	(113.75)
Principal payment on finance lease obligations	(36.25)	(8.83)
Net cash flows used in financing activities (C)	(1,307.97)	(2,086.15)
Net increase in cash and cash equivalents (A+B+C)	308.71	51.62
Effect of exchange differences on cash and cash equivalents held in foreign currency	(2.18)	(7.59)
Cash and cash equivalents at the beginning of the year	720.70	676.67
Cash and cash equivalents at the end of the year as per note 3.17 (a) (refer note below)	1,027.23	720.70

Note:

Cash and cash equivalents include the following:

Investor education and protection fund-unclaimed dividend *	2.51	2.36
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* The Group can utilize these balances only towards the settlement of the respective above mentioned liabilities:

As per our report of even date

For HCL Technologies Limited
FOR S. R. BATLIBOI & CO. LLP
ICAI Firm Registration Number : 301003E
 Chartered Accountants

Shiv Nadar
 Chairman and Chief Strategy Officer

Amal Ganguli
 Director

per Tridibes Basu
Partner
 Membership Number: 17401

Anant Gupta
 President and Chief Executive Officer

Anil Chanana
 Chief Financial Officer

Manish Anand
 Company Secretary

 Gurgaon, India
 31 July 2014

 Noida (UP), India
 31 July 2014

Notes to consolidated financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

Group Overview

HCL Technologies Limited (hereinafter referred to as “the Company” or “the Parent Company”) and its consolidated subsidiaries, joint ventures and associates (hereinafter collectively referred to as “the Group”) are primarily engaged in providing a range of software services, business process outsourcing services and IT infrastructure services. The Company was incorporated in India in November 1991. The Group leverages its extensive offshore infrastructure and global network of offices and professionals located in various countries to deliver solutions across select verticals including financial services, manufacturing (automotive, aerospace, hi-tech and semi-conductors) telecom, retail and consumer packaged goods services, media, publishing and entertainment, public services, energy and utility, healthcare and travel, transport and logistics.

1. Significant Accounting Policies**a) Basis of preparation**

The financial statements of the Group have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) and are presented in the format prescribed under revised Schedule VI to the Companies Act, 1956 read with general circular 08/2014 dated 04 April 2014, issued by the Ministry of Corporate Affairs. These consolidated financial statements have been prepared to comply in all material aspects with the applicable accounting standards. The financial statements have been prepared under the historical cost convention on an accrual and going concern basis except for certain financial instruments which are measured at fair value.

The accounting policies adopted in the preparation of the financial statements are consistent with those of the previous year.

b) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from these estimates.

c) Principles of consolidation

These consolidated financial statements relate to HCL Technologies Limited, the Parent Company, its subsidiaries, joint venture and associates which are as follows:

Subsidiaries of HCL Technologies Limited are as follows:-

Sr. No.	Name of the Subsidiaries	Country of Incorporation	Year ended 30 June 2014	Year ended 30 June 2013
			Holding Percentage	
1	HCL Comnet Systems & Services Limited	India	100%	100%
2	HCL Comnet Limited	India	100%	100%
3	HCL Bermuda Limited	Bermuda	100%	100%
4	HCL Technologies (Shanghai) Limited	China	100%	100%
5	HCL Eagle Limited	India	92%	92%
6	HCL Singapore Pte. Limited#	Singapore	100%	100%

direct subsidiary w.e.f 08 January 2014

Step down subsidiaries of direct subsidiaries of HCL Technologies Limited as mentioned above are as follows:-

Sr. No.	Name of the Subsidiaries	Country of Incorporation	Year ended 30 June 2014	Year ended 30 June 2013
			Holding Percentage	
1	HCL Great Britain Limited	UK	100%	100%
2	HCL (Netherlands) BV	Netherlands	100%	100%
3	HCL Belgium NV	Belgium	100%	100%
4	HCL Sweden AB	Sweden	100%	100%
5	HCL GmbH	Germany	100%	100%
6	HCL Italy SLR	Italy	100%	100%
7	HCL Australia Services Pty. Limited	Australia	100%	100%
8	HCL (New Zealand) Limited	New Zealand	100%	100%
9	HCL Hong Kong SAR Limited	Hong Kong	100%	100%
10	HCL Japan Limited	Japan	100%	100%

Notes to consolidated financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

Sr. No.	Name of the Subsidiaries	Country of Incorporation	Year ended 30 June 2014	Year ended 30 June 2013
			Holding Percentage	
11	HCL America Inc.	USA	100%	100%
12	HCL Technologies Austria GmbH (formerly known as HCL Holdings GmbH)	Austria	100%	100%
13	HCL Global Processing Services Limited	India	100%	100%
14	HCL BPO Services (NI) Limited	UK	100%	100%
15	HCL (Malaysia) Sdn. Bhd.	Malaysia	100%	100%
16	HCL Technologies Solutions Limited	India	100%	100%
17	HCL Poland sp. z o.o	Poland	100%	100%
18	HCL EAS Limited	UK	100%	100%
19	HCL Insurance BPO Services Limited	UK	100%	100%
20	HCL Expense Management Services Inc.	USA	100%	100%
21	Axon Group Limited	UK	100%	100%
22	HCL Axon Technologies Inc. (formerly known as Axon Solutions (Canada) Inc.)	Canada	100%	100%
23	Bywater Limited	UK	100%	100%
24	HCL Technologies Solutions GmbH (formerly known as Axon Solutions Schweiz GmbH)	Switzerland	100%	100%
25	Axon Solutions Pty. Limited	Australia	100%	100%
26	Axon Solutions Inc.	USA	100%	100%
27	Axon Acquisition Company, Inc. #	USA	100%	100%
28	Axon Solutions Limited	UK	100%	100%
29	HCL Axon Malaysia Sdn. Bhd. (formerly known as Axon Solutions Sdn. Bhd.)	Malaysia	100%	100%
30	Axon Solutions Singapore Pte. Limited	Singapore	100%	100%
31	Axon Solutions (Shanghai) Co. Limited	China	100%	100%
32	HCL Axon (Proprietary) Limited	South Africa	100%	100%
33	JSPC- I Solutions Sdn. Bhd. ##	Malaysia	100%	100%
34	JSP Consulting Sdn. Bhd. ##	Malaysia	100%	100%
35	HCL Argentina s.a.	Argentina	100%	100%
36	HCL Mexico S. de R.L.	Mexico	100%	100%
37	HCL Technologies Romania s.r.l.	Romania	100%	100%
38	HCL Hungary Kft	Hungary	100%	100%
39	HCL Latin America Holding LLC	USA	100%	100%
40	HCL (Brazil) Tecnologia da informacao Ltda.	Brazil	100%	100%
41	HCL Technologies Denmark Apps	Denmark	100%	100%
42	HCL Technologies Norway AS	Norway	100%	100%
43	PT. HCL Technologies Indonesia Limited	Indonesia	100%	100%
44	HCL Technologies Philippines Inc.	Philippines	100%	100%
45	HCL Technologies South Africa (Proprietary) Limited	South Africa	100%	100%
46	HCL Arabia LLC	Saudi Arabia	100%	100%
47	HCL Technologies France	France	100%	100%
48	Filial Espanola De HCL Technologies S.L.	Spain	100%	100%
49	Anzospan Investments Pty Limited	South Africa	70%	70%

HCL Technologies Limited Notes to consolidated financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

Sr. No.	Name of the Subsidiaries	Country of Incorporation	Year ended 30 June 2014	Year ended 30 June 2013
			Holding Percentage	
50	HCL Investments (UK) Limited	UK	100%	100%
51	HCL America Solutions Inc.	USA	100%	100%
52	HCL Technologies Chile Spa	Chile	100%	100%
53	HCL Technologies UK Limited.###	UK	100%	-
54	HCL Technologies B.V.\$	Netherlands	100%	-
55	HCL (Ireland) Information Systems Limited \$\$	Ireland	100%	-
56	HCL Technologies Germany GmbH \$\$\$	Germany	100%	-
57	HCL Technologies Belgium N.V. %	Belgium	100%	-
58	HCL Technologies Sweden AB %%	Sweden	100%	-
59	HCL Technologies Finland Oy %%%	Finland	100%	-

dissolved on 11 September 2013

dissolved on 20 June 2014

incorporated on 20 August 2013

\$ incorporated on 19 September 2013

\$\$ incorporated on 29 October 2013

\$\$\$ incorporated on 21 November 2013

% incorporated on 25 November 2013

%% incorporated on 18 December 2013

%%% incorporated on 14 January 2014

Joint Venture of HCL Technologies Limited is as follows:-

Sr. No.	Name of the Joint Venture	Country of Incorporation	Year ended 30 June 2014	Year ended 30 June 2013
			Holding Percentage	
1	Axon Puerto Rico	Puerto Rico	49%	49%

Associates of HCL Technologies Limited are as follows:-

Sr. No.	Name of the Associates	Country of Incorporation	Year ended 30 June 2014	Year ended 30 June 2013
			Holding Percentage	
1	Statestreet HCL Holding UK Limited	UK	49%	49%
2	Statestreet HCL Services (India) Private Limited (100% subsidiary of associate)	India	49%	49%
3	Statestreet HCL Services (Phillipines) Inc. (100% subsidiary of associate)	Phillipines	49%	49%

The Group has an equity interest of 49% in associates and 100% dividend rights. The shareholders agreement provides specific rights to the two shareholders. The management believes that these specific rights do not confer joint control as defined in Accounting Standard 27 "Financial Reporting of Interests in Joint Ventures". Consequently, Statestreet Holding UK Limited and its step down subsidiaries are not considered as joint ventures and consolidation of financial statements is carried out as per the equity method in terms of Accounting Standard 23 "Accounting for Investments in Associates in Consolidated Financial Statements".

Subsidiary companies are those in which the Group, directly or indirectly, has an interest of more than one half of the voting power or otherwise has power to exercise control over the composition of the Board of Directors of such companies. Subsidiaries are consolidated from the date on which effective control is transferred to the Group until the date of cessation of the parent-subsidiary relationship. The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as that of the Group. The joint venture is accounted for using proportionate consolidation. Investments in associates are accounted for using the equity method.

Notes to consolidated financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

All material inter company transactions, balances and unrealized surplus and deficit on transactions between Group companies are eliminated and only the parent's share in net assets is considered for calculation of goodwill. Consistency in adoption of accounting policies among all Group companies is ensured to the extent practicable. Separate disclosures are made of minority interest.

Minority interest in subsidiaries represents the minority shareholders' proportionate share of net assets and the net income of HCL's majority owned subsidiaries.

Goodwill has been recorded to the extent that the cost of acquisition, comprising purchase consideration and transaction costs, exceeds the fair value of net assets in each acquired company. The goodwill arising on consolidation is not amortized but tested for impairment on a periodic basis.

d) Tangible fixed assets and capital work-in-progress

Fixed assets are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard or period of performance. All other expenses on existing fixed assets, including day-to-day repairs, maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Fixed assets under construction and cost of assets not ready for use before the year-end, are disclosed as capital work-in-progress.

e) Depreciation on tangible fixed assets

Depreciation on tangible fixed assets is provided on the straight-line method over their estimated useful lives, as determined by the management, at rates which are equal to or higher than the rates prescribed under Schedule XIV of the Companies Act, 1956. Leasehold land is depreciated over the period of lease and leasehold improvements over the remaining period of lease or 4 years, whichever is lower. Depreciation is charged on a pro-rata basis for assets purchased/sold during the year. Assets costing ₹5,000 or less are fully depreciated in the year of purchase.

The management's estimates of the useful lives of various tangible fixed assets for computing depreciation are as follows:

	Life (in years)
Land-leasehold	Over the period of lease (up to maximum of 99 years)
Buildings	20
Plant and machinery (including air conditioners, electrical installations and aircraft)	4 to 17
Office equipments	4
Computers	3
Furniture and fixtures	4
Vehicles - owned	5
Vehicles - leased	Over the period of lease or 5 years, whichever is lower
Leasehold - improvements	Over the remaining period of lease or 4 years, whichever is lower

f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in an amalgamation in the nature of purchase is their fair value as at the date of amalgamation. Following the initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are amortized on a straight line basis over their estimated useful economic life. The Group uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use.

Notes to consolidated financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

If persuasive evidence exists to the effect that useful life of an intangible asset exceeds ten years, the Group amortizes that intangible asset over the best estimate of its useful life.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from the previous estimate, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefit from the asset, the amortization method is changed to reflect the changed pattern.

Gains or losses arising from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognized in the statement of profit and loss when the asset is derecognized.

Any other goodwill including that arising on consolidation of subsidiaries is not amortized. Goodwill arising out of amalgamation is amortized over its useful life not exceeding 5 years unless a longer period can be justified.

The management's estimates of the useful life of various other intangible assets are as follows:

	Life (in years)
Software	3
Intellectual Property Rights	10

g) Research and development costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Group can demonstrate all the following:

- (i) The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (ii) Its intention to complete the asset;
- (iii) Its ability to use or sell the asset;
- (iv) How the asset will generate future economic benefits;
- (v) The availability of adequate resources to complete the development and to use or sell the asset; and
- (vi) The ability to measure reliably the expenditure attributable to the intangible asset during development.

Any expenditure so capitalized is amortized over the period of expected future sales from the related project.

The carrying value of development costs is reviewed annually for impairment when the asset is not yet in use, and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.

h) Leases***Where the Group is the lessee***

Finance leases, which effectively transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value or present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance cost in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of the lease are capitalized.

A leased asset is depreciated on a straight line basis over the useful life of the asset or the useful life envisaged in Schedule XIV to the Companies Act, 1956, whichever is lower. However, if there is no reasonable certainty that the Group will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life envisaged in Schedule XIV to the Companies Act, 1956.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the Group is the lessor

Leases in which the Group transfers substantially all the risk and benefits of ownership of the asset are classified as finance leases. Assets given under a finance lease are recognized as a receivable at an amount equal to the net investment in the leased assets. After initial recognition, the Group apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance leases. The interest income is recognized in the statement of profit and loss. Initial direct costs such as legal cost, brokerage cost etc are recognized immediately in the statement of profit and loss.

Notes to consolidated financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

Leases in which the Group does not transfer substantially all the risk and benefits of ownership of the assets are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal cost, brokerage cost etc are recognized immediately in the statement of profit and loss.

i) Borrowing cost

Borrowing costs include interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

j) Impairment of tangible and intangible assets

An assessment is done at each balance sheet date as to whether there is any indication that an asset (tangible or intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is the higher of an asset's or cash generating unit's net selling price or its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

k) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises the purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired by the issue of shares or other securities, the acquisition cost is the fair value of securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried at the lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline, other than temporary, in the value of the long term investments.

On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

l) Inventories

Stock in trade, stores and spares are valued at the lower of the cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Cost of stock in trade procured for specific projects is assigned by specific identification of individual costs of each item. Cost of stock in trade, that are interchangeable and not specific to any project and cost of stores and spare parts are determined using the weighted average cost formula.

m) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue from sale of goods and rendering of services is recognized when risk and reward of ownership have been transferred to the customer, the sale price is fixed or determinable and collectability is reasonably assured. The Group derives revenues primarily from:-

Notes to consolidated financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

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

i) Software services

Revenue from software services comprises income from time and material and fixed price contracts. Revenue with respect to time and material contracts is recognized as related services are performed. Revenue from fixed price contracts is recognized in accordance with the percentage completion method under which revenue is recognized on the basis of cost incurred in respect of each contract as a proportion of total cost expected to be incurred. The cumulative impact of any revision in estimates of the percentage of work completed is reflected in the year in which the change becomes known. Provision for estimated losses is made during the year in which a loss becomes probable based on current cost estimates. Revenue from sale of licenses for the use of software applications is recognized on transfer of title in the user license. Revenue from annual technical service contracts is recognized on a pro rata basis over the period in which such services are rendered. Income from revenue sharing agreements is recognized when the right to receive is established.

ii) IT Infrastructure services

Revenue from sale of products is recognized when risk and reward of ownership have been transferred to the customer, the sale price is fixed or determinable and collectability is reasonably assured. Revenue related to products with installation services that are critical to the products is recognized when installation of networking equipment at customer site is completed and accepted by the customer. Revenue from bandwidth services is recognized upon actual usage of such services by customers based on either the time for which these services are provided or volume of data transferred or both and excludes service tax. Revenue from maintenance services is recognized ratably over the period of the contract. Revenue from IT infrastructure management services comprises income from time-and-material, and fixed price contracts. Revenue with respect to time-and-material contracts is recognized as related services are performed. Revenue with respect to fixed price contracts is recognized in accordance with the percentage of completion method.

Unearned revenue arising in respect of bandwidth services and maintenance services is calculated on the basis of the unutilized period of service at the balance sheet date and represents revenue which is expected to be earned in future periods in respect of these services.

In case of multiple-deliverable contracts where revenue cannot be allocated to various deliverables in a contract, the entire contract is accounted for as one deliverable and accordingly the revenue is recognized on a proportionate completion method following the performance pattern of predominant services in the contract or is deferred until the last deliverable is delivered.

iii) Business process outsourcing services

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

Earnings in excess of billing are classified as unbilled revenue, while billing in excess of earnings are classified as unearned revenue. Incremental revenue from existing contracts arising on future sales of the customers' products will be recognized when it is earned. Revenue and related direct costs from transition services in outsourcing arrangements are deferred and recognized over the period of the arrangement. Certain upfront non-recurring costs incurred in the initial phases of outsourcing contracts and contract acquisition costs, are deferred and amortized usually on a straight line basis over the term of the contract. The Group periodically estimates the undiscounted cash flows from the arrangement and compares it with the unamortized costs. If the unamortized costs exceed the undiscounted cash flow, a loss is recognized.

The Group gives volume discounts and pricing incentives to customers. The discount terms in the Group's arrangements with customers generally entitle the customer to discounts, if the customer completes a specified level of revenue transactions. In some arrangements, the level of discount varies with increases in the levels of revenue transactions. The Group recognizes discount obligations as a reduction of revenue based on the rateable allocation of the discount to each of the underlying revenue transactions that result in progress by the customer toward earning the discount.

Revenues are shown net of sales tax; value added tax, service tax and applicable discounts and allowances.

Notes to consolidated financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

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

iv) **Others**

Interest on the deployment of surplus funds is recognized using the time-proportion method, based on interest rates implicit in the transaction. Brokerage, commission and rent are recognized once the same are earned and accrued to the Group and dividend income is recognized when the right to receive the dividend is established.

n) **Foreign currency translation**

(i) **Initial Recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency, at the date of the transaction.

(ii) **Conversion**

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(iii) **Exchange Differences**

Exchange differences arising on the settlement of monetary items, or on reporting such monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or expense in the statement of profit and loss in the year in which they arise.

(iv) **Hedging**

(a) **Cash flow hedging**

The Group uses derivative financial instruments (foreign currency forward and option contracts) to hedge its risks associated with foreign currency fluctuations relating to certain highly probable forecast transactions.

The use of foreign currency forward and options contracts is governed by the Group's policies, which provide written principles on the use of such financial derivatives, consistent with the Group's risk management strategy. The Group does not use derivative financial instruments for speculative purposes.

The derivative instruments are initially measured at fair value, and are re-measured at subsequent reporting dates. In respect of derivatives designated as hedges, the Group formally documents all relationships between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also formally assesses, both at the inception of the hedge and on an ongoing basis, whether each derivative is highly effective in offsetting changes in fair values or cash flows of the hedged item. Changes in the fair value of these derivatives (net of tax) that are designated and effective as hedges of future cash flows are recognized directly in the hedging reserve account under shareholders' funds and the ineffective portion is recognized immediately in the statement of profit and loss. Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in the statement of profit and loss as they arise.

Hedge accounting is discontinued from the last testing date when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Cumulative gain or loss on such hedging instrument recognized in shareholders' funds is retained until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognized in shareholders' funds is transferred to the statement of profit and loss for the year.

(b) **Hedging of monetary assets and liabilities**

Exchange differences on such contracts are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of a forward exchange contract is recognized as income or as an expense for the year.

Notes to consolidated financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

(v) Translation of integral and non-integral foreign operation

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation had been those of the Group itself.

In translating the financial statements of a non-integral foreign operation for incorporation in the financial statements, the assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation are translated at the closing rate; and income and expense items of the non-integral foreign operation are translated at monthly weighted average rates, which approximate the actual exchange rates. All resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

On the disposal of a non-integral foreign operation, the cumulative amount of the exchange differences which had been deferred and which relate to that operation are recognized as income or as an expense in the same period in which the gain or loss on disposal is recognized.

o) Retirement and other employee benefits**India**

- i. Contributions to provident fund, a defined benefit plan, are deposited with recognized Provident Fund Trusts, set up by the Group. The Group liability is actuarially determined at the end of the year. Actuarial losses/ gains are recognized in the statement of profit and loss in the year in which they arise. The interest rate payable by the Trusts to the beneficiaries every year is notified by the Government and the Group has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate.
- ii. In respect of superannuation, a defined contribution plan for applicable employees, the Company contributes to a scheme administered on its behalf by an insurance company and such contributions for each year of service rendered by the employees are charged to the statement of profit and loss. The Company has no further obligations to the superannuation plan beyond its contributions.
- iii. Gratuity liability: The Company and its subsidiaries in India provide for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's base salary and the tenure of employment. The liability is actuarially determined (using the projected unit credit method) at the end of each year.
- iv. Compensated absences: The employees of the Group are entitled to compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation (using the projected unit credit method) based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the balance sheet date. Accumulated leave, which is expected to be utilized within the next twelve months, is treated as a short-term employee benefit and accumulated leave expected to be carried forward beyond twelve months is treated as a long-term employee benefit for measurement purposes. The expense on non-accumulating compensated absences is recognized in the period in which the absences occur.
- v. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.
- vi. State Plans: Contribution to State Plans, a defined contribution plan namely Employee State Insurance Fund and Employees' Pension Scheme for the Company and its subsidiaries in India are charged to the statement of profit and loss.

Subsidiaries in the US

The Group has a Savings and Investment Plan under section 401(k) of the Internal Revenue Code of the United States of America. This is a defined contribution plan. Contributions are charged to income in the year in which they accrue.

Subsidiaries in Europe

The Group contributes towards pension plans of the various governments for the employees of its subsidiaries in Europe. These are defined contribution plans. Contributions are charged to income in the year in which they accrue.

Notes to consolidated financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

Subsidiaries in Australia

As per the local laws of Australia, employers must provide a minimum level of superannuation for most 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 subsidiaries contribute to a fund approved by the Government of Australia. This is a defined contribution plan. Contributions are charged to income in the year in which they accrue.

Subsidiaries in Asia

As per local laws of Malaysia, Singapore and Japan, employers are required to contribute a notified percentage of the basic salary of the eligible employees to the fund set-up by the Government of the respective country. This is a defined contribution plan. Contributions are charged to income in the year in which they accrue.

p) Taxation

Tax expense comprises current and deferred tax. Current income tax expense comprises taxes on income from operations in India and foreign jurisdictions. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961 and tax expense relating to overseas operations is determined in accordance with tax laws applicable in countries where such operations are domiciled.

Deferred tax expense or benefit is recognized on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets, against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by the same governing taxation laws.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. In situations where the Group is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Group's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate.

At each balance sheet date the Group re-assesses recognized and unrecognized deferred tax assets. The Group writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which the deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available. The Group recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The Company and its subsidiaries in India are subject to Minimum Alternative Tax (MAT) on their book profits, which give rise to future economic benefits in the form of adjustments of future income tax liability. MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. The Group reviews the MAT credit entitlement at each balance sheet date and writes down the carrying amount of the MAT credit entitlement to the extent that there is no longer convincing evidence to the effect that the Group will pay normal income tax during the specified period.

Notes to consolidated financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

q) Employee stock compensation cost

In accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India, the Company calculates the compensation cost of equity-settled transactions based on the intrinsic value method wherein the excess of the market price of the underlying equity shares on the date of the grant of the options over the exercise price of the options given to the employees under the employee stock option schemes of the Company, is recognized as deferred stock compensation cost and is amortized on a graded vesting basis over the vesting period of the options.

r) Earnings per share

Basic earnings per share is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

s) Provisions

A provision is recognized when there exists a present obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to present value and are determined based on best estimates required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

t) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

u) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short term deposits with banks and corporate with an original maturity of three months or less.

2. Acquisitions / Sale**a) Sale of business**

During the previous year, on March 21, 2013, the Group completed the sale of one of its divisions providing product based complete workflow automation solution that streamlines all aspects of lending and leasing operations. The Group received net proceeds of ₹196.79 crores and recognized a net loss of ₹13.19 crores. The loss was net of the fair value of certain contractual terms, certain transaction costs and the assets and liabilities sold, including goodwill of ₹176.84 crores. The loss was recorded and expensed off in the consolidated statement of profit and loss and the net proceeds were reflected in proceeds from sale of business within cash flow from investing activities in the consolidated statement of cash flows. The Group has discontinued the operation of the division. However being not material to the Group, consolidated statement disclosures related to discontinued operations have not been made.

Notes to consolidated financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

3. Notes to consolidated financial statements
3.1 Share Capital

	As at	
	30 June 2014	30 June 2013
Authorized		
750,000,000 (Previous year 750,000,000) equity shares of ₹2 each	150.00	150.00
Issued, subscribed and fully paid up		
699,976,381 (Previous year 696,869,857) equity shares ₹2 each	140.00	139.37

Terms/ rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of ₹2/-. Each holder of equity shares is entitled to one vote per share.

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

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

	As at			
	30 June 2014		30 June 2013	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
Number of shares at the beginning	696,869,857	139.37	693,283,476	138.66
Add: Shares issued on exercise of employee stock options	3,106,524	0.63	3,576,256	0.71
Add: Shares issued under scheme of arrangement (refer note 3.36)	-	-	10,125	0.00*
Number of shares at the end	699,976,381	140.00	696,869,857	139.37

The Company does not have any holding/ ultimate holding company.

* Absolute amount equals to ₹20,250

Details of shareholders holding more than 5 % shares in the company:-

Name of the shareholder	As at			
	30 June 2014		30 June 2013	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of ₹2 each fully paid				
Vama Sundari Investments (Delhi) Private Limited	300,048,512	42.87%	311,964,982	44.77%
HCL Holdings Private Limited	119,548,908	17.08%	119,548,908	17.16%

As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

	As at 30 June					
	2014	2013	2012	2011	2010	2009
Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash.	Nil	10,125 Equity shares	Nil	Nil	Nil	Nil
Aggregate number and class of shares allotted as fully paid up by way of bonus shares.	Nil	Nil	Nil	Nil	Nil	Nil
Aggregate number and class of shares bought back	Nil	Nil	Nil	Nil	Nil	Nil

Notes to consolidated financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

Employee Stock Option Plan (ESOP)

The Company has provided various share-based payment schemes to its employees. During the year ended 30 June 2014, the following schemes were in operation:

	ESOP 1999	ESOP 2000	ESOP 2004
Number of options granted	20,000,000	15,000,000	20,000,000
Method of Settlement (Cash/Equity)	Equity	Equity	Equity
Vesting Period (Maximum)	110 months	104 months	96 months
Exercise Period from the date of vesting (maximum)	5 years	5 years	5 years
Vesting Conditions	Service Period	Service Period	Service Period/ Group performance

During the year ended 30 June 2013, the following schemes were in operation:

	ESOP 1999	ESOP 2000	ESOP 2004
Number of options granted	20,000,000	15,000,000	20,000,000
Method of Settlement (Cash/Equity)	Equity	Equity	Equity
Vesting Period (Maximum)	110 months	104 months	96 months
Exercise Period from the date of vesting (maximum)	5 years	5 years	5 years
Vesting Conditions	Service Period	Service Period	Service Period/ Group performance

Each option granted under the above plans entitles the holder to four equity shares of the Company at an exercise price, which is approved by the Nomination and Remuneration Committee.

The details of activity under various plans have been summarized below:-

ESOP 1999	Year ended			
	30 June 2014		30 June 2013	
	No of options	Weighted average exercise price (₹)	No of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	324,422	666.37	536,630	655.52
Add: Granted during the year	-	-	-	-
Less: Forfeited during the year	-	-	-	-
Exercised during the year	(184,025)	638.94	(176,588)	638.71
Expired during the year	(14,574)	645.34	(35,620)	640.08
Options outstanding at the end of the year	125,823	722.45	324,422	666.37
Options exercisable at the end of the year	125,823		324,422	

The weighted average option price at the date of exercise for stock options exercised during the year was ₹4,635.01 (Previous year ₹2,690.93)

Notes to consolidated financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

ESOP 2000	Year ended			
	30 June 2014		30 June 2013	
	No of options	Weighted average exercise price (₹)	No of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	583,255	641.16	1,024,030	632.18
Add: Granted during the year	-	-	-	-
Less: Forfeited during the year	-	-	-	-
Exercised during the year	(301,986)	637.05	(313,419)	618.13
Expired during the year	(71,028)	653.61	(127,356)	625.65
Options outstanding at the end of the year	210,241	642.84	583,255	641.16
Options exercisable at the end of the year	210,241		583,255	

The weighted average option price at the date of exercise for stock options exercised during the year was ₹4,645.11 (Previous year ₹2,619.54)

ESOP 2004	Year ended			
	30 June 2014		30 June 2013	
	No of options	Weighted average exercise price (₹)	No of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	2,238,201	14.48	3,605,488	13.61
Add: Granted during the year	8,000	8.00	21,220	8.00
Less: Forfeited during the year	(225,132)	8.00	(962,180)	8.00
Exercised during the year	(290,620)	28.69	(404,057)	17.64
Expired during the year	(1,600)	1,329.66	(22,270)	88.72
Options outstanding at the end of the year *	1,728,849	11.69	2,238,201	14.48
Options exercisable at the end of the year	274,481		295,101	

The weighted average option price at the date of exercise for stock options exercised during the year was ₹4,998.73 (Previous year ₹2,942.59)

* Total number of outstanding options includes 1,252,638 as on 30 June 2014 (1,549,700 as on 30 June 2013) performance based options. These options will vest to the employees of the Group based on the achievement of certain targets by the Group.

The details of exercise price for stock options outstanding at the end of the year 30 June 2014 are:

Name of the Plan	Range of exercise prices	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price (₹)
Employee Stock Option Plan - 1999	₹240 - ₹750	125,823	-	722.45
Employee Stock Option Plan - 2000	₹260 - ₹470	-	-	-
	₹483 - ₹823	210,241	-	642.84
Employee Stock Option Plan - 2004	₹8	1,719,386	4.80	8.00
	₹642 - ₹741	9,463	-	682.38

Notes to consolidated financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

The details of exercise price for stock options outstanding at the end of the year 30 June 2013 are:

Name of the Plan	Range of exercise prices	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price (₹)
Employee Stock Option Plan - 1999	₹240 - ₹750	324,422	0.68	666.37
Employee Stock Option Plan - 2000	₹260 - ₹470	-	-	-
	₹483 - ₹823	583,255	0.63	641.16
Employee Stock Option Plan - 2004	₹8	2,216,841	5.61	8.00
	₹642 - ₹741	21,360	0.64	687.24

The weighted average fair value of stock options granted during the year was ₹3,304.31 (Previous year ₹1,914.35). The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

	Year ended	
	30 June 2014	30 June 2013
Weighted average share price	396.18	324.74
Exercise Price	₹2.00	₹2.00
Expected Volatility	30.80%	36.88%
Historical Volatility	30.80%	36.88%
Life of the options granted (vesting and exercise period) in years	3.15 - 3.21 Years	2.96 -5.00 Years
Expected dividends	₹8.00	₹8.00
Average risk-free interest rate	7.80%	7.78%
Expected dividend rate	2.02%	2.46%

The expected volatility was determined based on historical volatility data.

The Company has calculated the compensation cost based on the intrinsic value method i.e. the excess of market price of underlying equity shares on the date of the grant of options over the exercise price of the options granted to employees under the employee stock option schemes of the Company. The same is recognized as deferred stock compensation cost and is amortized on a graded vesting basis over the vesting period of the options. Had the Company applied the fair value method for determining compensation cost, the impact on net income and earnings per share is provided below:

	Year ended	
	30 June 2014	30 June 2013
Net income - As reported	6,509.51	4,040.09
Add: Employee stock compensation under intrinsic value method	30.92	14.97
Less: Employee stock compensation under fair value method	39.12	16.79
Net income - Proforma	6,501.31	4,038.27
Earnings per share (₹) refer note 3.27		
Basic - As reported	93.18	58.15
- Proforma	93.06	58.12
Diluted - As reported	91.93	57.20
- Proforma	91.81	57.18

Notes to consolidated financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

3.2 Reserves and Surplus

	Year ended	
	30 June 2014	30 June 2013
Capital redemption reserve		
Balance as per last financial statements	45.00	45.00
Add: movement during the period	-	-
	45.00	45.00
Securities premium account		
Balance as per last financial statements	1,863.83	1,769.76
Add: Exercise of stock option by employees	70.14	93.59
Add: Adjustment pursuant to implementation of Scheme of Arrangement (refer note 3.36)	-	0.48
	1,933.97	1,863.83
Debenture redemption reserve		
Balance as per last financial statements	400.00	630.00
Add: amount transferred from surplus in the statement of profit and loss	100.00	100.00
Less: amount transferred to statement of profit and loss due to redemption of debentures	-	(330.00)
	500.00	400.00
Share options outstanding		
Balance as per last financial statements	331.39	555.08
Add: Options granted during the period	2.89	5.68
Less: Options forfeited during the period	(35.46)	(166.42)
Less: Transferred to security premium on exercise of stock options	(38.93)	(62.95)
	259.89	331.39
Less:-Deferred employee compensation cost	(52.97)	(116.47)
	206.92	214.92
Hedging reserve account (net of deferred tax) (refer note 3.33)		
Balance as per last financial statements	(488.52)	(385.72)
Add: Movement during the period (net)	278.24	(102.80)
	(210.28)	(488.52)
Foreign currency translation reserve		
Balance as per last financial statements	1,070.04	755.07
Add: Exchange difference during the period on net investment in non-integral operations	346.34	314.97
	1,416.38	1,070.04
General reserve		
Balance as per last financial statements	1,609.15	1,229.15
Add: amount transferred from surplus in the statement of profit and loss	600.00	380.00
	2,209.15	1,609.15
Surplus in the statement of profit and loss		
Balance as per last financial statements	8,305.19	5,390.28
Add: Profit for the period	6,509.51	4,040.09
Add: Transfer from debenture redemption reserve due to redemption of debentures	-	330.00
Amount available for appropriation	14,814.70	9,760.37
Less: Appropriations		
Interim dividend [amount per share ₹10 (Previous year ₹6)]	699.10	416.94
Proposed final dividend [including ₹1.17 (Previous year ₹0.30) paid for previous year] [amount per share ₹Nil (Previous year ₹6)]	1.17	418.42
Total dividend	700.27	835.36
Corporate dividend tax [including ₹0.20 (Previous year ₹0.05) paid for previous year]	113.39	139.82
Transfer to general reserve	600.00	380.00
Transfer to debenture redemption reserve	100.00	100.00
	13,301.04	8,305.19
Net surplus in the statement of profit and loss	19,402.18	13,019.61

Notes to consolidated financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

3.3 Share application money pending allotment

	30 June 2014	30 June 2013
- number of shares proposed to be issued	598,948	356,008
- the amount of premium	7.53	4.94
- whether the Company has sufficient authorized share capital to cover the share capital amount on allotment of shares out of share application money	Yes	Yes
- Interest accrued on amount due for refund	Nil	Nil

Note- Share application money has not remained pending beyond the period mentioned in the share application. The maximum period within which the shares shall be allotted will be 180 days from the date of receipt of share application money.

3.4 Long term borrowings

	Non-current portion		Current maturities	
	30 June 2014	30 June 2013	30 June 2014	30 June 2013
(a) Secured				
Debentures (refer note 1 below)				
8.80% Secured redeemable non convertible debentures of ₹10 Lacs each (repayable on 10 September 2014)	-	500.00	500.00	-
From banks				
Long term loans (refer note 2 below)	27.84	32.88	11.69	9.82
From others				
Finance lease obligations (refer note 3 below and note 3.26(i))	172.67	258.34	94.48	90.13
Others (refer note 4 below)	-	0.76	0.76	13.05
(b) Unsecured				
Others (refer note 5 below)	0.13	4.75	4.65	6.16
	200.64	796.73	611.58	119.16
Amount disclosed under the head "other current liabilities" (note 3.8)			(611.58)	(119.16)
	200.64	796.73	-	-

Note:-

1. Debentures have a maturity period of five years redeemable at par and are secured against computers, softwares, plant and machinery, receivables from subsidiaries and specified land and building of the Company.
2. The Group has availed a term loan of ₹39.53 crores (Previous year ₹42.70 crores) secured by hypothecation of vehicles of ₹76.91 crores (Previous year ₹69.55 crores) at interest rates ranging from 8% to 11%. The loans are repayable over a period of 3 to 5 years on a monthly basis.
3. The Finance lease obligation are secured against network equipment and vehicles acquired by group on finance lease at interest rates ranging from 8% to 11%.
4. The other long term loan of ₹0.76 crores represents loan taken for purchases of plant and machinery (Previous year ₹13.81 crores) at interest rates ranging from 0% to 6.79% secured by hypothecation of gross block of plant and machinery of ₹81.49 crores (Previous year ₹81.49 crores) of a subsidiary. The loans are repayable till July 2014.
5. The other long term loan of ₹4.78 crores represents loan taken for purchases of plant and machinery (Previous year ₹10.91 crores) at interest rates ranging from 0% to 6.79%. The loans are repayable till July 2015.

Notes to consolidated financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

3.5 Other long term liabilities

	As at	
	30 June 2014	30 June 2013
Income received in advance	587.38	454.42
Unrealized loss on forward covers	128.20	244.80
Other liabilities	20.17	20.99
	735.75	720.21

3.6 Long term provisions

	As at	
	30 June 2014	30 June 2013
Provision for employee benefits	194.36	199.81
	194.36	199.81

3.7 Short term borrowings

	As at	
	30 June 2014	30 June 2013
Unsecured		
Bank overdraft	205.83	128.52
	205.83	128.52

Notes to consolidated financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

3.8 Trade payable and other current liabilities

	As at	
	30 June 2014	30 June 2013
Trade payables	467.75	399.27
Trade payables-related parties	0.73	2.11
	468.48	401.38
Other current liabilities		
Current maturities of long term loans	611.58	119.16
Interest accrued but not due on borrowings	2.56	2.69
Unclaimed dividend	2.51	2.36
Advances received from customers	44.79	79.19
Unrealized loss on forward cover	136.75	437.91
Capital accounts payables (includes supplier credit ₹604.27 Previous year ₹297.67)	763.69	398.20
Capital accounts payables-related parties (includes supplier credit ₹28.24 Previous year ₹7.12)	32.26	7.87
Income received in advance	785.99	634.63
Income received in advance-related parties	14.80	0.77
Accrued salaries and benefits		
Employee bonuses accrued	787.50	774.27
Other employee costs	457.19	387.55
Other liabilities		
Liabilities for expenses	2,118.72	1,775.98
Liabilities for expenses-related parties	8.60	7.35
Supplier credit	788.30	300.52
Supplier credit -related parties	15.65	48.28
Withholding and other taxes payable	339.13	234.77
Book Overdraft	15.28	9.23
Advance against sale of building -related parties	180.00	-
	7,105.30	5,220.73

3.9 Short term provisions

	As at	
	30 June 2014	30 June 2013
Provision for employee benefits	508.47	437.10
Proposed dividend on equity shares	-	418.12
Taxes on dividend	-	71.06
Provision for warranties	1.27	1.67
Income taxes (refer note 1 below)	951.02	793.96
Wealth tax (refer note 2 below)	1.41	1.36
	1462.17	1723.27

Notes:-

1. Net of advance income tax of ₹4009.68 crores (Previous year ₹2,691.00 crores)

2. Net of advance wealth tax of ₹6.60 crores (Previous year ₹5.31 crores)

Notes to consolidated financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

Note:- 3.10 Fixed Assets (refer note 1(d), (e) and (f))

	Gross block			Accumulated depreciation / amortisation						Net block	
	As at 1 July 2013	Additions	Deletions/ Adjustments	Translation exchange differences	As at 30 June 2014	As at 1 July 2013	Charge for the period	Deletions/ Adjustments	Translation exchange differences	As at 30 June 2014	As at 30 June 2013
Tangible Assets											
Freehold land	86.95	-	-	0.09	87.04	-	-	-	-	-	86.95
Leasehold land	169.35	0.02	4.65	-	164.72	12.84	1.88	0.83	-	13.89	156.51
Buildings	1,286.32	531.69	11.69	4.37	1,810.69	216.16	74.59	7.25	2.41	285.91	1,070.16
Plant and machinery	922.51	244.88	33.82	4.20	1,137.77	635.55	132.09	33.76	3.31	737.19	286.96
Office Equipment	248.32	16.13	45.01	1.65	221.09	200.40	24.24	44.91	1.42	181.15	47.92
Computers	1,495.78	168.76	101.06	34.28	1,597.76	1,125.97	267.93	100.49	22.36	1,315.77	369.81
Furniture and fittings	625.15	66.85	49.97	10.55	652.58	508.19	63.94	49.92	9.24	531.45	116.96
Vehicles - owned	76.91	18.01	8.45	-	86.47	23.58	16.12	3.90	-	35.80	53.33
- leased	12.12	-	9.61	-	2.51	8.18	1.28	7.51	-	1.95	3.94
Total (A)	4,923.41	1,046.34	264.26	55.14	5,760.63	2,730.87	582.07	248.57	38.74	3,103.11	2,192.54
Intangible assets											
Goodwill	4,586.89	-	-	265.51	4,852.40	153.58	-	-	5.07	158.65	4,433.32
Software	673.37	55.44	0.51	13.03	741.33	555.72	91.28	0.20	10.75	657.55	117.65
Intellectual property rights	11.55	6.17	-	1.76	19.48	2.52	7.51	-	0.56	10.59	9.03
Total (B)	5,271.81	61.61	0.51	280.30	5,613.21	711.82	98.79	0.20	16.38	826.79	4,560.00
Total (A)+(B)	10,195.22	1,107.95	264.77	335.44	11,373.84	3,442.69	680.86	248.77	55.12	3,929.90	6,752.54
Previous year	9,581.82	905.98	595.78	303.20	10,195.22	3,128.72	636.76	375.42	52.64	3,442.69	6,453.10

Note:-

- Gross block and additions to fixed assets include ₹16.4 crores and ₹0.34 crores (Previous year ₹16.06 crores and ₹1.70 crores) respectively and accumulated depreciation and charge for the year of ₹7.21 crores and ₹1.81 crores (Previous year ₹5.39 crores and ₹1.13 crores) respectively in respect of the Company's share of fixed assets on account of proportionate consolidation of joint ventures (refer note 3.35)

Notes to consolidated financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

3.11 Investments

	As at	
	30 June 2014	30 June 2013
Non-current investments- at cost (Non trade and quoted)		
Investment in bonds(refer note 1 (i) below)	-	50.00
Aggregate amount of quoted investments (A)	-	50.00
Investment in Associates (Trade and unquoted) 10,000,000 equity shares (Previous year 8,000,000 equity shares) of \$1 each in Statestreet Holding UK Limited (B)	55.40	35.87
Aggregate amount of non- current investments (A+B)	55.40	85.87
Current investments (Non trade and quoted)		
Investment in bonds and certificate of deposits (refer note 1 (ii) below)	212.04	44.34
(Non trade and unquoted) Investment in mutual funds (refer note 2 below)	394.25	582.83
Aggregate amount of current investments	606.29	627.17

Note:-

1. The details of investments in bonds and certificate of deposits are provided below:

i) Non current - non trade and quoted

	Face Value	Balance as at 30 June 2014		Balance as at 30 June 2013	
		Units	Amount	Units	Amount
Bonds					
Indian Railway Finance 6% 2015 (Series 68)	100,000	-	-	5,000	50.00
Market value		-	-	-	48.42

ii) Current - non trade and quoted

	Face Value	Balance as at 30 June 2014		Balance as at 30 June 2013	
		Units	Amount	Units	Amount
Bonds					
IIFCL 6.85% 2014 (Tax Free Bonds)	100,000	-	-	4,418	44.34
Indian Railway Finance 6% 2015 (Series 68)	100,000	5,000	50.00	-	-
Certificate of deposits					
State Bank of Mysore	100,000	10,000	98.13	-	-
State Bank of Hyderabad	100,000	6,500	63.91	-	-
Total			212.04		44.34
Market value			212.08		43.94

2. Details of current investments in mutual funds (unquoted)

	Face Value	Balance as at 30 June 2014		Balance as at 30 June 2013	
		Units	Amount	Units	Amount
Growth Fund					
ICICI Prudential Liquid Super Inst Plan	100	3,836,633	73.92	11,083,126	195.72
TATA Liquid Fund-Plan A	1,000	44,577	10.64	192,447	41.68
HDFC Liquid Fund	10	38,784,913	99.47	51,685,375	121.58
SBI Premier Liquid Fund Super IP	1,000	328,604	67.20	114,428	21.26
UTI Liquid Fund-Cash Plan	1,000	282,876	60.37	740,275	142.18
DSP BlackRock Liquidity Fund-IP	1,000	442,860	82.65	359,777	60.41
Total			394.25		582.83

Notes to consolidated financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

3.12 Deferred tax assets (net)

	As at	
	30 June 2014	30 June 2013
Deferred tax assets:		
Business losses *	51.97	57.87
Provision for doubtful debts	118.30	94.94
Accrued employee costs	293.42	234.95
Unrealized loss on derivative financial instruments	51.97	142.75
Depreciation and amortization	105.01	94.39
Employee stock compensation	38.30	37.91
Others	222.55	152.09
Gross deferred tax assets (A)	881.52	814.90
Deferred tax liabilities:		
Depreciation and amortization	1.30	20.38
Others	65.26	52.64
Gross deferred tax liabilities (B)	66.56	73.02
Net deferred tax assets (A-B)	814.96	741.88

*The Group's subsidiaries have recognized deferred tax assets on such portion of the carry forward business losses which can be utilized against its profits within the limit and carryover period permitted under laws of respective jurisdiction.

3.13 Long term loans and advances

	As at	
	30 June 2014	30 June 2013
Unsecured, considered good		
Capital advances	123.49	162.46
Capital advances-related parties	0.02	1.08
Security deposits	149.51	201.01
Others		
MAT credit entitlement	460.25	343.57
Prepaid expenses	83.07	86.08
Loans and advances to employees	0.07	0.33
Finance lease receivables (refer note 3.26 (iii))	512.67	479.43
Other loan & advances	100.41	-
	1,429.49	1,273.96

3.14 Other non- current assets

	As at	
	30 June 2014	30 June 2013
Unsecured considered good unless otherwise stated		
Deferred cost	375.13	417.46
Bank deposits more than 12 months (refer note 1 below)	0.19	0.19
Unrealized gain on derivative financial instruments	-	0.06
	375.32	417.71

Note:

1. Pledged with banks as security for guarantees ₹0.19 crores (Previous year ₹0.19 crores)

Notes to consolidated financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

3.15 Inventories

	As at	
	30 June 2014	30 June 2013
Inventories		
Stock in trade [including in transit ₹1.34 crores(Previous year ₹1.81 crores)]	121.42	229.95
Stores and spares	0.88	1.55
	122.30	231.50

3.16 Trade receivables (Unsecured)

	As at	
	30 June 2014	30 June 2013
(a) Considered good unless stated otherwise, outstanding for a period exceeding six months from the date they are due for payment		
Unsecured considered good	22.31	137.64
Unsecured considered doubtful	287.71	157.84
	310.02	295.48
Provision for doubtful receivables	(287.71)	(157.84)
Total (a)	22.31	137.64
(b) Other receivables		
Unsecured considered good	5,660.53	4,359.51
Unsecured considered doubtful	89.13	196.23
	5,749.66	4,555.74
Provision for doubtful receivables	(89.13)	(196.23)
Total (b)	5,660.53	4,359.51
Total (a)+(b) (refer note 1 below)	5,682.84	4,497.15

Note:-

1. Includes receivables from related parties amounting to ₹115.44 crores (Previous year ₹7.29 crores)

3.17 Cash and bank balances

	As at	
	30 June 2014	30 June 2013
(a) Cash and cash equivalent		
Balance with banks		
- in current accounts	910.32	547.02
- deposits with original maturity of less than 3 months	0.94	11.93
Cheques in hand	39.89	36.38
Remittances in transit	73.57	123.01
Unclaimed dividend account	2.51	2.36
	1,027.23	720.70
(b) Other bank balances		
Deposits with original maturity of more than 3 months but up to 12 months (refer note 1 and 2 below)	7,780.07	2,856.41
	8,807.30	3,577.11

Note:-

1. Pledged with banks as security for guarantees ₹0.94 crores (Previous year ₹0.25 crores)
2. In compliance of circular no. 04/2013 dated 11 February 2013 above deposits include ₹77 crores which have been maintained by the company for the purpose of repayment for redemption of the 8.80% Secured non convertible debentures of ₹500 crores repayable on 10 September 2014.

Notes to consolidated financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

3.18 Short-term loans and advances

	As at	
	30 June 2014	30 June 2013
Unsecured, considered good		
Loans and advances to related parties	6.34	1.10
Others		
Security deposits	68.44	24.54
Inter corporate deposits with HDFC Limited	571.00	742.00
Advances to suppliers	35.18	47.16
Prepaid expenses	263.01	207.74
Loans and advances to employees	57.98	73.43
Finance lease receivables (refer note 3.26 (iii))	359.63	212.40
Service tax receivable	50.27	151.26
Payment for investment in mutual fund - units allotted on 01-July-2014	59.00	-
Other loans and advances	119.08	112.18
	1,589.93	1,571.81
Unsecured, considered doubtful		
Loans and advances to employees	46.19	38.36
Loans and advances to others	8.88	6.55
	55.07	44.91
Less: Provision for doubtful advances	(55.07)	(44.91)
	1,589.93	1,571.81

3.19 Other current assets

	As at	
	30 June 2014	30 June 2013
Unbilled revenue	2,003.76	1,685.53
Unbilled revenue-related parties	14.14	19.43
Deferred cost	286.69	278.76
Interest receivable	116.49	72.57
Advance tax (refundable)	94.35	62.53
Unrealized gain on derivative financial instruments	5.54	9.96
	2,520.97	2,128.78

3.20 Revenue from operations

	Year ended	
	30 June 2014	30 June 2013
Sale of services	30,784.11	24,350.92
Sale of hardware and software	1,359.55	1,230.14
	32,143.66	25,581.06

Notes to consolidated financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

3.21 Other income

	Year ended	
	30 June 2014	30 June 2013
Interest income		
- On fixed deposits	529.08	204.60
- On investment	4.70	6.03
- Others	11.08	2.69
Profit on sale of current investments	58.56	16.57
Profit on sale of long term investment in joint venture (refer note 3.35)	-	26.68
Dividends from current investments	-	23.95
Profit on sale of fixed assets (refer note 1 below)	47.82	0.07
Exchange differences (net)	-	44.50
Miscellaneous income	26.16	26.02
	677.40	351.11

Note:-

1. Net of loss on sale of fixed assets ₹0.56 crores (Previous year ₹6.77 crores)

3.22 Cost of materials

	Year ended	
	30 June 2014	30 June 2013
Opening stock	228.14	212.02
Purchases of traded goods	920.92	975.46
	1,149.06	1,187.48
Closing stock	(120.08)	(228.14)
	1,028.98	959.34

3.23 Employee benefit expenses

	Year ended	
	30 June 2014	30 June 2013
Salaries, wages and bonus	12,964.74	11,026.94
Contribution to provident fund and other employee funds	1,843.56	1,457.77
Staff welfare expenses	67.14	74.49
Employee stock compensation expense	30.92	14.97
	14,906.36	12,574.17

Notes to consolidated financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

3.24 Finance cost

	Year ended	
	30 June 2014	30 June 2013
Interest		
- on debentures	44.02	48.02
- on loans from banks	10.31	22.68
- on leased assets	0.33	1.62
- others	38.18	8.45
Bank charges	21.66	24.85
	114.50	105.62

3.25 Other expenses

	Year ended	
	30 June 2014	30 June 2013
Rent	358.07	328.00
Power and fuel	241.99	228.58
Insurance	32.69	29.81
Repairs and maintenance		
- Plant and machinery	76.98	44.45
- Buildings	76.11	62.05
- Others	119.82	112.25
Communication costs	314.35	284.77
Books and periodicals	26.03	24.27
Travel and conveyance	1,402.05	1,137.23
Business promotion	41.12	22.19
Legal and professional charges	250.33	185.77
Outsourcing costs	4,206.52	2,842.04
Software license fee	210.73	144.51
Software tools	21.22	2.88
License and transponder fee	27.63	30.47
Printing and stationery	23.27	19.19
Rates and taxes	151.93	157.79
Advertising and publicity	2.25	18.63
Provision for doubtful advances / advances written off	0.49	23.02
Donations	2.88	11.13
Recruitment, training and development	180.95	109.49
Provision for doubtful debts / bad debts written off	113.12	150.15
Loss on sale of business (refer note 2(a))	-	13.19
Loss on sale of investment	-	6.09
Exchange differences (net)	44.06	-
Miscellaneous expenses	248.44	398.44
	8,173.03	6,386.39

Notes to consolidated financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

3.26 Leases**i) Finance lease : in case of assets taken on lease**

The Group has acquired networking equipments and vehicles on finance leases. Total minimum lease payments and the maturity profile of finance leases at the balance sheet date, the element of interest included in such payments, and the present value of the minimum lease payments are as follows:

	Total minimum lease payments outstanding as on 30 June 2014	Interest included in minimum lease payments	Present value of minimum lease payments
Not later than one year	100.41	5.93	94.48
	(98.06)	(7.93)	(90.13)
Later than one year and not later than 5 years	177.07	4.40	172.67
	(268.40)	(10.06)	(258.34)
	277.48	10.33	267.15
	(366.46)	(17.99)	(348.47)

Previous year figures are in brackets.

ii) Operating lease

The Group's significant leasing arrangements are in respect of operating leases for office space and accommodation for its employees. The aggregate lease rental expense recognized in the statement of profit and loss for the year amounts to ₹333.80 crores (Previous year ₹283.98 crores). The rent equalization reserve amount for non-cancellable operating lease payable in future years and accounted for by the Group is ₹131.27 crores (Previous year ₹113.53 crores). Future minimum lease payments and the payment profile of non-cancellable operating lease are as follows:

	Year ended	
	30 June 2014	30 June 2013
Not later than one year	279.43	262.62
Later than one year and not later than 5 years	752.64	694.66
Later than 5 years	629.89	589.14
	1,661.96	1,546.42

iii) Finance lease : in case of assets given on lease

The Company has given networking equipments to its customers on finance lease basis. The future lease receivables in respect of assets given on finance lease are as follows:

	Total minimum lease payments receivable as on 30 June 2014	Interest included in minimum lease payments receivable	Present value of minimum lease payments receivable
Not later than one year	401.97	42.33	359.64
	(247.50)	(35.10)	(212.40)
Later than one year and not later than 5 years	567.03	64.82	502.21
	(559.47)	(84.18)	(475.29)
Later than 5 years	11.66	1.21	10.45
	(4.56)	(0.42)	(4.14)
	980.66	108.36	872.30
	(811.53)	(119.70)	(691.83)

Previous year figures are in brackets.

Notes to consolidated financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

3.27 Earnings per Share

The computation of earnings per share is as follows:

	Year ended	
	30 June 2014	30 June 2013
Net profit as per Statement of profit and loss for computation of EPS	6,509.51	4,040.09
Weighted average number of equity shares outstanding in calculating Basic EPS	698,616,947	694,783,323
Dilutive effect of stock options outstanding	9,497,266	11,501,304
Weighted average number of equity shares outstanding in calculating dilutive EPS	708,114,213	706,284,627
Nominal value of equity shares (in ₹)	2.00	2.00
Earnings per equity share (in ₹)		
- Basic	93.18	58.15
- Diluted	91.93	57.20

3.28 Segment Reporting

Identification of segments

The Group's operating businesses are organized and managed according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and services.

(i) Business segments

The Group's operations predominantly relate to providing a range of IT and Business process outsourcing services (BPO) targeted at Global 2000 companies spread across USA, Europe & Rest of the World. IT Services include software services & IT infrastructure management services. Within software services, the Group provides application development & maintenance, enterprise application, next generation SAAS (Software As A Service) application services and engineering and R&D services to several global customers. Infrastructure management services involve managing customers' IT assets effectively. The Group'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 next generation services around platform BPO & BPAAS (Business Process As A Service) delivered through a strong global delivery model. The Group'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 Chairman of the Group, who is the Chief Strategy Officer, evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by types of services provided by the Group and geographic segmentation of customers. Accordingly, revenue from service segments comprises the primary basis of segmental information set out in these financial statements.

(ii) Geographic segments

Segment revenue from customers by geographical areas are based on geographical location of the customer and segment assets are by geographical location of the assets.

The principal geographical segments are classified as America, Europe, India and Others. Europe comprises business operations conducted by the Group in the United Kingdom, Sweden, Germany, Italy, Belgium, Netherlands, Northern Ireland, Finland, Poland and Switzerland. Since services provided by the Group within these European entities are subject to similar risks and returns, their operating results have been reported as one segment, namely Europe. India has been identified as a separate segment. All other customers, mainly in Japan, Australia, New Zealand, Singapore, Malaysia, Israel, South Korea, China, Czech Republic, Macau, UAE, Portugal, Russia and Hong Kong are included in Others.

(iii) Segment accounting policies

The accounting principles consistently used in the preparation of the financial statements and consistently applied to record revenue and expenditure in individual segments are as set out in note 1 to the financial statements on significant accounting policies. The accounting policies in relation to segment accounting are as under:

a) Segment assets and liabilities

Segment assets consist mainly of allocable fixed assets, trade receivables, loans and advances and unbilled receivables. Segment assets do not include unallocated corporate assets, treasury assets, net deferred tax assets, advance taxes and Minimum Alternate Tax.

Segment liabilities include trade payables, other liabilities and borrowings. Segment liabilities do not include provision for taxes and other unallocated corporate liabilities.

b) Segment revenue and expenses

Segment revenue is directly attributable to the segment and segment expenses have been allocated to various segments on the basis of specific identification. However, segment revenue does not include other income. Segment expenses do not include premium amortized on bonds, diminution allowance in respect of current and trade investments, other than temporary diminution in the value of long term investments, charge taken for stock options issued to employees, corporate expenses and finance cost.

Notes to consolidated financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

Financial information about the business segments for the year ended 30 June 2014 is as follows:

	Software services	Business process outsourcing services	IT Infrastructure services	Inter segment transactions/ eliminations	Total
Revenue					
- External revenue	19,707.36	1,386.19	11,050.11	-	32,143.66
- Internal revenue	-	-	-	-	-
Total	19,707.36	1,386.19	11,050.11	-	32,143.66
Segment results	4,810.40	74.12	2,633.14	-	7,517.66
Unallocated corporate expenses					(163.22)
Finance cost					(114.50)
Other income					132.53
Interest income					544.86
Net profit before taxes					7,917.33
Tax expense					(1,409.57)
Share of profit of associates					20.06
Minority Interest					(18.31)
Net profit after taxes					6,509.51
Assets					
Segment assets	11,776.87	852.43	5,041.31	-	17,670.61
Unallocated assets	-	-	-	-	12,309.08
Total assets					29,979.69
Liabilities					
Segment liabilities	5,018.12	289.87	3,621.03	-	8,929.02
Unallocated liabilities	-	-	-	-	1,443.51
Total liabilities					10,372.53
Capital expenditure					
Capital expenditure	573.05	37.84	83.16	-	694.05
Unallocated corporate capital expenditure	-	-	-	-	25.51
Total					719.56
Significant non-cash adjustments					
Depreciation	370.91	55.69	250.89	-	677.49
Unallocated corporate depreciation	-	-	-	-	3.37
Total					680.86
Provision / written off for doubtful debts and advances					113.61

Notes to consolidated financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

Financial information about the business segments for the year ended 30 June 2013 is as follows:

	Software services	Business process outsourcing services	IT Infrastructure services	Inter segment transactions/ eliminations	Total
Revenue					
- External revenue	16,974.78	1,081.44	7,524.84	-	25,581.06
- Internal revenue	-	-	-	-	-
Total	16,974.78	1,081.44	7,524.84	-	25,581.06
Segment results	3,600.39	59.45	1,435.82	-	5,095.66
Unallocated corporate expenses					(71.26)
Finance cost					(105.62)
Other income					137.79
Interest income					213.32
Net profit before taxes					5,269.89
Tax expense					(1,225.31)
Share of loss of associates					(0.21)
Minority interest					(4.28)
Net profit after taxes					4,040.09
Assets					
Segment assets	10,623.72	617.84	4,140.65	-	15,382.21
Unallocated assets	-	-	-	-	7,017.11
Total assets					22,399.32
Liabilities					
Segment liabilities	4,155.46	232.04	2,704.45	-	7,091.95
Unallocated liabilities	-	-	-	-	2,098.70
Total liabilities					9,190.65
Capital expenditure					
Capital expenditure	333.72	52.97	174.21	-	560.90
Unallocated corporate capital expenditure	-	-	-	-	56.16
Total					617.06
Significant non-cash adjustments					
Depreciation	337.47	59.82	234.22	-	631.51
Unallocated corporate depreciation	-	-	-	-	5.25
Total					636.76
Provision / written off for doubtful debts and advances					173.17

Notes to consolidated financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

Segment revenue from customers by geographic area based on location of the customer is as follows:

	Year ended	
	30 June 2014	30 June 2013
America	16,858.55	14,798.48
Europe	9,257.97	6,789.44
India	1,488.43	1,076.73
Others	4,538.71	2,916.41
Total	32,143.66	25,581.06

Carrying value of segment assets by geographic area based on geographic location of assets is as follows:

	Carrying amount of segment assets	
	30 June 2014	30 June 2013
America	4,932.37	4,290.89
Europe	7,788.73	6,496.27
India	15,414.62	10,583.60
Others	1,843.97	1,028.56
Total	29,979.69	22,399.32

Total Cost incurred during the period to acquire segment fixed assets (tangible and intangible) by geographical location of the assets is as follows:

	Addition to segment fixed assets	
	30 June 2014	30 June 2013
America	51.60	78.08
Europe	46.46	42.76
India	596.34	483.32
Others	25.16	14.53
Total	719.56	618.69

3.29 Related Parties**a) Related parties where control exists****Employee benefit trusts**

HCL Technologies Limited Employees Trust
 Axon Group Plc Employee Benefit Trust No. 3
 Axon Group Plc Employee Benefit Trust No. 4
 HCL South Africa Share Ownership Trust

b) Related parties with whom transactions have taken place during the year**Jointly controlled entities**

Axon Puerto Rico Inc., Puerto Rico

Key Management Personnel

Shiv Nadar - Chairman and Chief Strategy Officer
 Vineet Nayar - Vice - Chairman and Joint Managing Director (upto 31 July 2013)

Others (Significant influence)

Vama Sundari Investments (Delhi) Private Limited
 HCL Corporation Private Limited
 Vama Sundari Investments (Pondi) Private Limited
 HCL Infosystems Limited
 SSN Investment(Pondi) Private Limited
 HCL Learning Limited
 Naksha Enterprises Private Limited
 HCL Infotech Limited
 Slocum Management Consultancy Private Limited
 Shiv Nadar Foundation
 HCL Holding Private Limited

Notes to consolidated financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

HCL Insys. Pte. Limited, Singapore
 Digilife Distribution and Marketing Services Limited
 HCL Services Limited

Associates

Statestreet HCL Services (India) Private Limited
 State Street HCL Services(Phillipines) INC.

Transactions with related party during the normal course of business:

	Jointly controlled		Others		Dividend paid	
	Year ended 30 June		Year ended 30 June		Year ended 30 June	
	2014	2013	2014	2013	2014	2013
Sale of materials and services	25.47	34.42	158.17	8.60	-	-
- HCL Infosystems Limited	-	-	52.20	8.60	-	-
- Axon Puerto Rico Inc.	14.78	12.83	-	-	-	-
- NEC HCL Systems Technologies Limited	-	18.64	-	-	-	-
- HCL Infotech Limited	-	-	104.83	-	-	-
- Statestreet HCL Services (India) Private Limited	8.99	2.95	-	-	-	-
- Others	1.70	-	1.14	-	-	-
Purchase of materials and services	13.03	6.19	108.80	90.10	-	-
- HCL Infosystems Limited	-	-	89.92	89.83	-	-
- Axon Puerto Rico Inc.	12.36	6.19	-	-	-	-
- HCL Services Limited	-	-	4.80	-	-	-
- Digilife Distribution and Marketing Services Limited	-	-	12.56	-	-	-
- Others	0.67	-	1.52	0.27	-	-
Payment for use of facilities	-	-	2.43	1.55	-	-
- HCL Infosystems Limited	-	-	1.64	1.55	-	-
- HCL Corporation Private Limited	-	-	0.79	-	-	-
Purchase of capital equipments	-	-	37.11	22.98	-	-
- HCL Infosystems Limited	-	-	27.11	21.00	-	-
- HCL Insys. Pte. Limited, Singapore	-	-	9.52	-	-	-
- Digilife Distribution and Marketing Services Limited	-	-	-	0.45	-	-
- Others	-	-	0.48	1.53	-	-
Others (Significant influence)	-	-	46.66	-	428.98	431.52
- Vama Sundari Investments (Delhi) Private Limited	-	-	-	-	304.95	311.97
- HCL Holding Private Limited	-	-	-	-	119.55	119.55
- Vama Sundari Investment (Pondi) Private Limited*	-	-	46.66	-	-	-
- Shiv Nadar Foundation	-	-	-	-	4.48	-

* Gain on sale of building

Transactions with Key Managerial personnel during the year

	Year ended	
	30 June 2014	30 June 2013
Chairman and Chief Strategy Officer		
i) Remuneration	16.78	16.47
Vice-Chairman and Joint Managing Director		
i) Remuneration	1.47	9.27
ii) Dividend Paid (includes shares held through family trust)	-	0.20
iii) Stock options		
- Exercised - No's (options)	-	250,000
- Exercise price - ₹	-	8

Notes to consolidated financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

c) Outstanding balances

	Jointly controlled entities		Others	
	As at		As at	
	30 June 2014	30 June 2013	30 June 2014	30 June 2013
Trade receivables	5.63	4.99	109.81	2.30
- HCL Infosystems Limited	-	-	37.95	2.30
- Axon Puerto Rico Inc.	3.95	3.95	-	-
- HCL Infotech Limited	-	-	71.86	-
- Statestreet HCL Services (India) Private Limited	1.68	1.04	-	-
Capital Advance	-	-	0.02	1.08
- HCL Infosystems Limited	-	-	0.02	0.43
- Others	-	-	-	0.65
Unbilled Revenue	4.22	2.96	9.92	16.47
- HCL Infosystems Limited	-	-	9.92	16.47
- Axon Puerto Rico Inc.	-	0.01	-	-
- Statestreet HCL Services (Phillipines) INC.	1.51	-	-	-
- Statestreet HCL Services (India) Private Limited	2.59	2.95	-	-
- Others	0.12	-	-	-
Loans and Advances	0.08	0.07	6.26	1.03
- HCL Infosystems Limited	-	-	6.10	1.03
- HCL Corporation Private Limited	-	-	0.16	-
- Statestreet HCL Services (Phillipines) INC.	0.03	-	-	-
- Statestreet HCL Services (India) Private Limited	0.05	0.07	-	-
Capital Accounts Payable	-	-	32.26	7.87
- HCL Infosystems Limited	-	-	29.22	7.87
- Others	-	-	3.04	-
Supplier Credit	-	-	15.65	48.28
- HCL Infosystems Limited	-	-	4.63	48.28
- Digilife Distribution and Marketing Services Limited	-	-	11.02	-
Trade payables and other current liabilities	1.65	1.94	202.48	8.29
- HCL Infosystems Limited	-	-	9.22	8.24
- Axon Puerto Rico Inc.	-	1.17	-	-
- SSN Investment (Pondi) Private Limited *	-	-	180.00	-
- HCL Infotech Limited	-	-	12.30	-
- Statestreet HCL Services (Phillipines) INC.	0.81	-	-	-
- Statestreet HCL Services (India) Private Limited	0.84	-	-	-
- Others	-	0.77	0.96	0.05

* Advance against sale of building

3.30 Research and Development Expenditure

	Year ended	
	30 June 2014	30 June 2013
Revenue	152.73	157.92
Capital	-	-
	152.73	157.92

Notes to consolidated financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

3.31 Commitments and Contingent Liabilities

a)

	As At	
	30 June 2014	30 June 2013
i) Capital and Other Commitments		
Capital commitments		
Estimated amount of unexecuted capital contracts (net of advances)	903.94	1,161.37
ii) Contingent Liabilities		
Others	6.39	13.53
	910.33	1,174.90

The amounts shown in the item above represent best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Group or the claimants as the case may be and therefore cannot be predicted accurately. The Group engages reputed professional advisors to protect its interest and has been advised that it has strong legal positions against such disputes.

- b) Guarantees have been given by the Group against credit facilities, financial assistance and office premises taken on lease amounting to ₹72.53 crores (Previous year ₹75.71 crores). These guarantees have been given in the normal course of the Group's operations and are not expected to result in any loss to the Group, on the basis of the Group fulfilling its ordinary commercial obligations.
- c) The Group and its various subsidiaries are required to comply with the local transfer pricing regulations, which are contemporaneous in nature. The Group appoints independent consultants annually for conducting a transfer pricing study to determine whether transactions with associate enterprises are undertaken, during the financial year, on an arms length basis. Adjustments, if any, arising from the transfer pricing study in the respective jurisdictions shall be accounted for as and when the study is completed for the current financial year. The management is of the opinion that its international transactions are at arms length so that aforesaid legislation will not have any impact on the financial statements.
- d) During the year ended 30 June 2014, the Group has negotiated extended interest bearing credit terms with certain vendors and issued ₹1436.47 crores (Previous year ₹653.59 crores) of letters of credit in this respect for extended payment terms up to 360 days. The interest rate on these arrangements ranges from 1.5%p.a. to 10.0%p.a. The Group also has letters of credit amounting to ₹2.44 crores (Previous year ₹1.26 crores) outstanding for year ended 30 June 2014 in the normal course of business.

3.32 Sale of Receivables

The Group has revolving trade 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 was ₹244.15 crores (previous year ₹207.87 crores). 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, 2013 and 2014, the Group had the entire limit of ₹752.33 crores available under these programs and there were no outstanding service obligations.

3.33 Derivative Financial Instruments and Hedge Accounting
(a) Foreign currency forward and option contracts

The Group is exposed to foreign currency fluctuations on foreign currency assets / liabilities and forecast cash flows denominated in foreign currency. The use of derivatives to hedge foreign currency forecast cash flows is governed by the Group's strategy, which provides principles on the use of such forward contracts and currency options consistent with the Group's Risk Management Policy. The counter party in these derivative instruments is a bank and the Group considers the risks of non-performance by the counterparty as non-material.

The Group does not use forward covers and currency options for speculative purposes.

Notes to consolidated financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

The following table presents the aggregate contracted principal amounts of the Group's derivative contracts outstanding:

Sell covers	As at 30 June	
	2014	2013
Foreign Currency	Rupee equivalent (₹ in Crores)	
USD / INR	3,803.23	8,319.67
GBP / INR	123.15	452.50
EURO / INR	300.07	1,129.71
EURO / USD	265.46	174.70
AUD / INR	-	16.44
AUD / USD	67.87	47.94
SGD / USD	-	21.12
CHF / USD	47.35	-
ZAR / USD	13.63	64.73
CAD / USD	-	62.32
SEK / USD	157.74	84.46
	4,778.50	10,373.59

Buy covers	As at 30 June	
	2014	2013
Foreign Currency	Rupee equivalent (₹ in Crores)	
JPY / USD	14.85	41.98
SEK / USD	71.65	-
CAD / USD	14.09	-
MYR / USD	38.43	15.97
GBP / USD	485.42	208.15
SGD / USD	26.52	52.81
	650.96	318.91

Options	As at 30 June	
	2014	2013
Foreign Currency	Rupee equivalent (₹ in Crores)	
Range Forward		
USD / INR	1,508.75	545.50
GBP / INR	302.75	-
EURO / INR	313.22	-
AUD / INR	16.97	-
Total	2,141.69	545.50

Notes to consolidated financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

The following table summarizes the activity in the hedging reserves related to all derivatives classified as cash flow hedges during the years ended 30 June 2014 and 2013:

	Year ended 30 June	
	2014	2013
(Loss)/Gain as at the beginning of the year	(631.27)	(479.66)
Unrealized loss on cash flow hedging derivatives during the year	(174.63)	(218.19)
Net losses reclassified into net income on occurrence of hedged transactions	544.57	66.58
Loss as at the end of the year (refer note 1 and 2 below)	(261.33)	(631.27)

As of the balance sheet date, the Group net foreign currency exposure that is not hedged is ₹1652.34 crores (Previous year ₹916.88 crores).

Notes:

1. The above balance as at year end is inclusive of deferred tax assets of ₹51.05 crores (Previous year deferred tax assets of ₹142.75 crores).
2. At 30 June 2014, the estimated net amount of existing loss that is expected to be reclassified into the income statement within the next twelve months is ₹132.89 crores (Previous year loss of ₹386.53 crores).

3.34 Employee Benefit Plans

The Group has calculated the various benefits provided to employees as under:

A. Defined Contribution Plans and State Plans

Superannuation Fund

Employer's contribution to Employees State Insurance

Employer's contribution to Employee Pension Scheme

During the year the Company and its subsidiaries in India has recognized the following amounts in the statement of profit and loss :-

	Year ended 30 June	
	2014	2013
Superannuation Fund	2.02	2.20
Employer's contribution to Employees State Insurance	3.64	3.30
Employer's contribution to Employee's Pension Scheme	42.49	41.93
Total	48.15	47.43

Subsidiaries in US

Total contribution made to the plan by the US subsidiaries, for the years ended 30 June 2014 is ₹50.49 crores (Previous year ₹47.15 crores).

Subsidiaries in Australia

Total contribution made to the plan by the subsidiaries in Australia, for the years ended 30 June 2014 is ₹38.39 crores (Previous year ₹36.78 crores).

Subsidiaries in Europe

Total contribution made to the plan by the subsidiaries in Europe, for the years ended 30 June 2014 is ₹128.24 crores (Previous year ₹71.54 crores).

Subsidiaries in Asia (excluding India)

Total contribution made to the plan by the subsidiaries in Asia, for the years ended 30 June 2014 is ₹38.77 crores (Previous year ₹41.77 crores).

Notes to consolidated financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

B. Defined Benefit Plans

- a) Gratuity
- b) Employer's contribution to provident fund

Gratuity

The subsidiaries based out in India has an unfunded defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure of 15 days base salary (last drawn salary) for each completed year of service.

The following table sets out the status of the gratuity plan :

Statement of profit and loss

Net employee benefit expense (recognized in Employee Cost)

	Year ended 30 June	
	2014	2013
Current Service cost	44.78	36.44
Interest cost on benefit obligation	16.59	14.27
Expected return on plan assets	-	-
Net Actuarial loss recognized in the year	(26.42)	5.68
Past Service cost	-	-
Net benefit expense	34.95	56.39

Balance Sheet

Details of provision for gratuity

	Year ended 30 June	
	2014	2013
Defined benefit obligations	214.27	195.97
Fair value of plan assets	-	0.08
	214.27	196.05
Plan liability	214.27	196.05

Changes in present value of the defined benefit obligation are as follows:

	Year ended 30 June	
	2014	2013
Opening defined benefit obligations	196.05	156.07
Current service cost	44.78	36.44
Interest cost	16.59	14.27
Actuarial loss on obligation	(26.42)	5.68
Benefits paid	(16.73)	(16.41)
Closing defined benefit obligations	214.27	196.05

Changes in fair value of the plan assets are as follows:

	Year ended 30 June	
	2014	2013
Opening fair value of plan assets	0.08	0.08
Benefits paid	(0.08)	-
Closing fair value of plan assets	-	0.08

Notes to consolidated financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The principal assumptions used in determining gratuity for the Group's plans are

	Year ended 30 June	
	2014	2013
Discount rate	8.80%	7.45%
Estimated Rate of salary increases	7.00%	7.00%
Employee Turnover	21.00%	17.00%
Expected rate of return on assets	N.A.	N.A.

The estimates of future salary increases, considered in the actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The following table sets out the experience adjustment to plan liabilities as required under AS-15 (Revised):

	Year ended				
	30 June 2014	30 June 2013	30 June 2012	30 June 2011	30 June 2010
Defined benefit obligations	214.27	196.05	156.15	111.37	94.36
Plan assets	-	0.08	0.08	0.08	0.05
Experience adjustment to plan liabilities	(9.01)	(1.88)	8.92	5.15	(2.23)
Experience adjustment to plan assets	-	-	-	-	-

Employers Contribution to Provident Fund

The actuary has provided a valuation and based on the assumption mentioned below, there is no shortfall as at 30 June, 2014 and 30 June, 2013.

The details of the fund and plan asset position are given below:-

	30 June 2014	30 June 2013
Plan assets at the year end	1,578.10	1,303.73
Present value of benefit obligation at year end	1,578.10	1,303.73
Asset recognized in balance sheet	-	-

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

	30 June 2014	30 June 2013
Government of India (GOI) bond yield	8.80%	7.45%
Remaining term of maturity	9.40 years	9.29 years
Expected guaranteed interest rate	8.75%	8.50%

During the year ended 30 June 2014, the Group has contributed ₹94.96 crores (Previous year ₹88.72 crores) towards employer's contribution to Provident Fund.

Notes to consolidated financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

3.35. Joint Venture

The Group has an interest in the following jointly controlled entity:

NEC HCL System Technologies Ltd.

During the previous year, the company has sold its stake in its joint venture NEC HCL System Technologies Limited (NECH) resulting a profit of ₹26.68 crores. Details are given below:-

The aggregate amounts of income and expenditure to the extent of the interest of the Group in the above jointly controlled entity are given hereunder:

	Year ended
	30 June 2013
Revenue from operations	57.81
Other income	2.12
Total revenue	59.93
Employee benefit expenses	26.54
Other expenses	13.33
Depreciation and amortization expense	1.36
Total expenses	41.23
Profit before tax	18.70
Provision for tax	6.29
Net profit after tax	12.41

Name of the Company	Shareholding as on 30 June 2014	Shareholding as on 30 June 2013	Incorporated in
Axon Puerto Rico Inc.	49%	40%	Puerto Rico

	Year ended	
	30 June 2014	30 June 2013
Revenue from operations	58.83	39.38
Total revenue	58.83	39.38
Employee benefit expenses	38.90	31.52
Other expenses	9.47	6.22
Depreciation and amortization expense	1.82	1.48
Total expenses	50.19	39.22
Profit before tax	8.64	0.16
Provision for tax	0.56	0.07
Net profit after tax	8.08	0.09

Notes to consolidated financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

	Year ended	
	30 June 2014	30 June 2013
Assets		
Tangible assets		
Building	5.73	7.25
Plant and machinery	3.46	3.41
Total tangible assets (A)	9.19	10.66
Capital Work in Progress (B)	0.05	-
Total fixed assets (A+B)	9.24	10.66
Trade receivables	15.37	12.88
Cash and bank balances	10.57	5.51
Other current assets	1.18	0.49
Liabilities		
Liabilities and provisions	20.12	21.25

Notes:

- Axon Puerto Rico Inc. financial statements are for the period ended 31 May 2014 and 2013 respectively.
- There is no material transaction between the reporting dates of the JV and that of Group.

3.36. Scheme of arrangement

During the previous year, in accordance with the terms of a Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956, approved by the Hon'ble High Court of Delhi vide its order dated 12 April 2013, the IT enabled services division of HCL Comnet Systems & Services Limited, a subsidiary, has been demerged and transferred to the Company on a going concern basis with effect from 1 April 2012, the appointed date.

The consideration for transfer as per the above mentioned scheme has been settled by issue of 10,125 equity shares of ₹2 each in the ratio of 227 equity shares of the Company of ₹2 each for every 100 equity shares of ₹10/- each held by outside shareholders of HCL Comnet Systems & Services Limited. This has resulted in increase in share capital and securities premium by ₹20,250 and ₹0.48 crores respectively. The above scheme does not have any impact on the consolidated profit and loss of the Group.

3.37. Previous year comparatives

Previous year figures have been rearranged to conform to the current year's classification.

As per our report of even date

FOR S. R. BATLIBOI & CO. LLP
ICAI Firm Registration Number : 301003E
Chartered Accountants

per Tridibes Basu
Partner
Membership Number: 17401

Gurgaon, India
31 July 2014

For HCL Technologies Limited

Shiv Nadar
Chairman and Chief Strategy Officer

Anant Gupta
President and Chief Executive Officer

Noida (UP), India
31 July 2014

Amal Ganguli
Director

Anil Chanana
Chief Financial Officer

Manish Anand
Company Secretary

Statement regarding Subsidiary Companies pursuant to Section 212 of the Companies Act,1956

Sl. No	Name of the Subsidiary Company	Financial Year to which Accounts relate	Holding Company's interest in the subsidiary at the end of financial year		Net aggregate amount of Subsidiary Company's Profits after deducting its losses or vice versa, so far as it concerns members of Holding Company which are not dealt with in the Company's Accounts (All amounts in ₹ thousands)		Net aggregate amount of Subsidiary Company's Profits after deducting its losses or vice versa, so far as it concerns Members of Holding Company which are dealt with in the Company's Accounts (All amounts in ₹ thousands)	
			Shareholding (No. of Shares)	Extent of holding (%)	For the year ended June 30, 2014	For previous financial years of the subsidiary since it became the holding company's subsidiary	For the year ended June 30, 2014	For previous financial years of the subsidiary since it became the holding company's subsidiary
1.	HCL Bermuda Limited	30-Jun-14	409,670,582	100	700,102	(1,541,187)	Nil	Nil
2.	HCL America Inc.	30-Jun-14	7,474,410	100	33,467	6,829,518	Nil	Nil
3.	HCL Great Britain Limited	30-Jun-14	10,568,334	100	1,199,284	2,017,829	Nil	Nil
4.	HCL Sweden AB	30-Jun-14	10,000	100	167,759	280,509	Nil	Nil
5.	HCL (Netherlands) BV	30-Jun-14	400	100	258,396	725,077	Nil	Nil
6.	HCL GmbH	30-Jun-14	257	100	115,643	107,167	Nil	Nil
7.	HCL Italy SRL	30-Jun-14	20,000,000	100	(10,753)	(164,854)	Nil	Nil
8.	HCL Belgium NV	30-Jun-14	143,937	100	34,509	(1,654)	Nil	Nil
9.	HCL Australia Services Pty. Limited	30-Jun-14	500,000	100	(721,015)	2,617,174	Nil	Nil
10.	HCL (New Zealand) Limited	30-Jun-14	10	100	162,969	551,158	Nil	Nil
11.	HCL Hong Kong SAR Limited	30-Jun-14	193,167	100	50,159	213,392	Nil	Nil
12.	HCL Japan Limited	30-Jun-14	4,400	100	132,495	328,260	Nil	Nil
13.	HCL Technologies Austria GmbH	31-Dec-13	6,500,000	100	(21,223)	4,184,303	Nil	Nil
14.	HCL Global Processing Services Limited	30-Jun-14	106,070	100	33,809	309,025	Nil	Nil
15.	HCL Comnet Systems & Services Limited	30-Jun-14	1,280	100	46,494	10,128,871	Nil	19,610
16.	HCL Arabia LLC	31-Dec-13	1,000	100	(10,989)	(23,852)	Nil	Nil
17.	HCL BPO Services (NI) Limited	30-Jun-14	4,444,445	100	(88,566)	(1,155,958)	Nil	Nil
18.	HCL Comnet Limited	30-Jun-14	949,900	100	165,314	1,198,058	Nil	Nil
19.	Anzospan Investments (PTY) Limited	30-Jun-14	16,049,999	70	(250)	(64)	Nil	Nil
20.	HCL Singapore Pte Limited	30-Jun-14	2,035,000	100	1,355,956	2,160,812	246,779	412,712
21.	HCL (Malaysia) Sdn. Bhd	30-Jun-14	100,000	100	(1,853)	358,119	Nil	Nil
22.	HCL Technologies Solutions Limited	30-Jun-14	1,050,100	100	31,070	(9,093)	Nil	Nil
23.	HCL Technologies Denmark Apps	30-Jun-14	3,268,624	100	60,764	58,768	Nil	Nil
24.	HCL Poland Sp.z.o.o.	30-Jun-14	277,000	100	(179,675)	26,764	Nil	Nil
25.	HCL Technologies (Shanghai) Limited	31-Dec-13	Not Applicable	100	91,411	(56,246)	Nil	Nil
26.	HCL Technologies France	30-Jun-14	2,516,000	100	4,246	(34,209)	Nil	Nil
27.	HCL Expense Management Services Inc	30-Jun-14	1	100	65,374	(863,658)	Nil	Nil
28.	Axon Group Limited	30-Jun-14	67,820,332	100	1,244,542	1,250,628	Nil	Nil
29.	Axon Solutions Inc.	30-Jun-14	30,970	100	884,816	(706,333)	Nil	Nil
30.	Bywater Limited	30-Jun-14	1,129,982	100	(4,723)	4,521	Nil	Nil
31.	Axon Solutions Limited	30-Jun-14	100,150	100	(16,625)	2,711,608	Nil	Nil
32.	HCL Axon Malaysia Sdn. Bhd.	30-Jun-14	10,000,000	100	461,742	(1,856,387)	Nil	Nil
33.	Axon Solutions (Shanghai) Co. Limited	31-Dec-13	Not Applicable	100	201,466	(251,629)	Nil	Nil
34.	Axon Solutions Singapore Pte Limited	30-Jun-14	100,000	100	29,798	(106,182)	Nil	Nil
35.	HCL Technologies Philippines Inc.	30-Jun-14	1,828,743	100	(23,668)	(91,734)	Nil	Nil
36.	HCL Technologies South Africa (Proprietary) Limited	30-Jun-14	2,975,000	100	66,318	85,094	Nil	Nil
37.	HCL Axon Technologies Inc.	30-Jun-14	10,000	100	164,851	(443,749)	Nil	Nil
38.	Axon Solutions Pty Limited	30-Jun-14	21,627,517	100	(51,861)	(709,388)	Nil	Nil
39.	HCL Technologies Solution GmbH	30-Jun-14	20,000	100	(2,042)	(5,849)	Nil	Nil

Statement regarding Subsidiary Companies pursuant to Section 212 of the Companies Act,1956

Sl.No	Name of the Subsidiary Company	Financial Year to which Account relate	Holding Company's interest in the subsidiary at the end of financial year		Net aggregate amount of Subsidiary Company's Profits after deducting its losses or vice versa, so far as it concerns members of Holding Company which are not dealt with in the Company's Accounts (All amounts in ₹ thousands)		Net aggregate amount of Subsidiary Company's Profits after deducting its losses or vice versa, so far as it concerns Members of Holding Company which are dealt with in the Company's Accounts (All amounts in ₹ thousands)	
			Shareholding (No. of Shares)	Extent of holding (%)	For the year ended June 30, 2014	For previous financial years of the subsidiary since it became the holding company's subsidiary	For the year ended June 30, 2014	For previous financial years of the subsidiary since it became the holding company's subsidiary
40.	HCL Technologies Norway AS	30-Jun-14	2,990	100	67,676	12,539	Nil	Nil
41.	HCL Insurance BPO Services Limited	30-Jun-14	8,110,000	100	(149,013)	(109,290)	Nil	Nil
42.	HCL America Solutions Inc.	30-Jun-14	10	100	(449)	(531)	Nil	Nil
43.	HCL EAS Limited	30-Jun-14	101,843,957	100	909,312	(2,081,930)	Nil	Nil
44.	HCL Axon (Proprietary) Limited	30-Jun-14	87,000,000	100	373,438	331,766	Nil	Nil
45.	HCL (Brazil) Tecnologia da informacao Ltda.	31-Dec-13	24,689,566	100	46,776	(524,965)	Nil	Nil
46.	HCL Technologies Romania s.r.l.	30-Jun-14	35,329	100	(1,460)	(1,108)	Nil	Nil
47.	HCL Hungary Kft	30-Jun-14	9,000,000	100	492	888	Nil	Nil
48.	HCL Latin America Holding LLC	30-Jun-14	13,796	100	165	3,366	Nil	Nil
49.	HCL Argentina s.a.	30-Jun-14	2,962,875	100	1,614	(4,576)	Nil	Nil
50.	FILIAL ESPAÑOLA DE HCL TECHNOLOGIES, S.L.	30-Jun-14	30,000	100	3,631	5,616	Nil	Nil
51.	HCL Mexico S. de R.L.	31-Dec-13	Not Applicable	100	(63,877)	13,325	Nil	Nil
52.	HCL Investment (UK) Limited	30-Jun-14	6,405,100	100	(599)	(1,075)	Nil	Nil
53.	HCL Eagle limited	30-Jun-14	100,000	92	24,485	1,509	Nil	Nil
54.	PT. HCL Technologies Indonesia Limited	30-Jun-14	500,000	100	4,944	(16,482)	Nil	Nil
55.	HCL Technologies Chile Spa	30-Jun-14	100,000	100	25,062	-	Nil	Nil
56.	HCL Technologies UK Limited	30-Jun-14	5,000,000	100	18,473	-	Nil	Nil
57.	HCL Technologies B.V.	30-Jun-14	1,000	100	(863)	-	Nil	Nil
58.	HCL (Ireland) Information Systems Limited	30-Jun-14	10,000	100	(322)	-	Nil	Nil
59.	HCL Technologies Germany Gmbh	30-Jun-14	100,000	100	(730)	-	Nil	Nil
60.	HCL Technologies Belgium N.V.	30-Jun-14	100,000	100	(982)	-	Nil	Nil
61.	HCL Technologies Sweden AB	30-Jun-14	86,000	100	(252)	-	Nil	Nil
62.	HCL Technologies Finland Oy	30-Jun-14	100,000	100	(509)	-	Nil	Nil

Notes:

- a) In respect of the subsidiaries whose financial year do not coincide with the financial year of the Company, neither there has been change in the holding company's interest in the subsidiary nor any material transaction has occurred, between the end of the financial year of such subsidiary and end of financial year of the company.

For HCL Technologies Limited

Shiv Nadar
Chairman and Chief Strategy Officer

Amal Ganguli
Director

Anant Gupta
President and Chief Executive Officer

Anil Chanana
Chief Financial Officer

Manish Anand
Company Secretary

Place: Noida, UP (India)
Date: 17 October, 2014

Note: Information on subsidiaries is provided in compliance with the General Circular no. 2/2011 dated February 8, 2011 issued by the Ministry of Corporate Affairs, Government of India. The Company would provide the annual accounts of the subsidiaries and the related detailed information to the shareholders of the Company and its subsidiaries on specific requests made to it in this regard by the said shareholders at any point of time. The annual accounts of the subsidiaries will also be kept for inspection by any shareholder at the registered office of the Company and that of the subsidiary company concerned.

Statement regarding Subsidiary Companies as required by the approval granted under Section 212(8) of the Companies Act, 1956.

(All amounts in ₹ Thousands)

Sl. No.	Name of the Subsidiary Company	Currency	Exchange Rate as on respective balance sheet date	Share Capital	Reserves	Total Assets	Total Liabilities	Investments (other than in subsidiaries)	Turnover	Profit before tax	Provision for tax	Profit after tax	Proposed Dividend
1.	HCL Bermuda Limited	USD	60.19	41,207,721	(1,226,725)	40,003,646	22,650	-	-	700,102	-	700,102	-
2.	HCLAmerica Inc.	USD	60.19	449,856	24,137,260	62,064,814	37,477,698	-	141,474,248	(490,504)	(523,971)	33,467	-
3.	HCL Great Britain Limited	GBP	102.63	1,084,548	4,046,839	17,249,225	12,117,837	-	39,000,126	1,443,328	244,044	1,199,284	-
4.	HCL Sweden AB	SEK	8.96	896	500,798	2,516,649	2,014,955	-	6,069,288	215,380	47,622	167,759	-
5.	HCL (Netherlands) BV	EUR	82.21	1,492	416,750	1,161,544	743,301	-	3,470,087	342,914	84,518	258,396	-
6.	HCL GmbH	EUR	82.21	2,113	434,601	2,008,419	1,571,705	-	5,871,415	157,997	42,355	115,643	-
7.	HCL Italy SRL	EUR	82.21	849	109,758	222,544	111,937	-	411,632	(4,152)	6,601	(10,753)	-
8.	HCL Belgium NV	EUR	82.21	293,341	2,406	611,293	315,546	-	870,959	43,131	8,623	34,509	-
9.	HCLAustralia Services Pty. Limited	AUD	56.56	28,280	855,888	3,467,512	2,583,343	-	12,171,900	(525,274)	195,741	(721,015)	-
10.	HCL(New Zealand) Limited	NZD	52.60	2,442	223,172	929,016	703,402	-	3,107,122	226,171	63,203	162,969	-
11.	HCL Hong Kong SAR Limited	HKD	7.77	1,500	57,457	259,990	201,032	-	1,327,243	60,223	10,064	50,159	-
12.	HCL Japan Limited	JPY	0.59	130,680	451,213	1,492,187	910,294	-	4,991,087	208,933	76,438	132,495	-
13.	HCL Technologies Austria GmbH	EUR	82.21	40,181	7,013,290	7,325,877	272,406	-	25,772	(21,075)	149	(21,223)	-
14.	HCL Global Processing Services Limited	INR	1.00	1,061	342,834	347,940	4,045	-	43,668	50,666	16,857	33,809	-
15.	HCL Comnet Systems & Services Limited	INR	1.00	92,800	(26,371)	337,392	270,963	-	414,698	46,494	-	46,494	-
16.	HCL Arabia LLC	SAR	16.48	8,240	(37,915)	136,590	166,266	-	77,481	(10,989)	-	(10,989)	-
17.	HCL BPO Services (NI) Limited	GBP	102.63	410,605	(1,492,896)	188,318	1,270,609	-	493,014	(88,566)	-	(88,566)	-
18.	HCL Comnet Limited	INR	1.00	9,499	1,900,124	6,727,539	4,817,916	500,005	5,466,023	246,780	81,465	165,314	-
19.	Anzospa Investments (PTY) Limited	ZAR	5.68	510,966	(308)	513,532	2,874	-	-	(250)	-	(250)	-
20.	HCL Singapore Pte Limited	SGD	48.22	98,122	2,017,890	4,700,885	2,584,874	-	8,708,580	1,640,302	284,347	1,355,956	-
21.	HCL (Malaysia) Sdn. Bhd	MYR	18.75	1,875	90,182	92,746	690	-	-	(710)	1,143	(1,853)	-
22.	HCL Technologies Solutions Limited	INR	1.00	10,501	53,905	83,061	18,655	-	50,485	14,035	(17,035)	31,070	-
23.	HCL Technologies Denmark Apps	DKK	11.03	36,041	125,780	770,567	608,745	-	1,924,077	80,079	19,316	60,764	-
24.	HCL Poland Sp.z.o.o.	PLN	19.77	273,046	(159,123)	764,215	650,291	-	1,146,582	(179,675)	-	(179,675)	-
25.	HCL Technologies (Shanghai) Limited	CNY	10.21	156,367	59,261	473,083	257,456	-	770,157	123,507	32,097	91,411	-
26.	HCL Technologies France	EUR	82.21	206,841	(22,717)	799,610	615,486	-	1,597,104	4,246	-	4,246	-
27.	HCL Expense Management Services Inc. #	USD	60.19	0	273,155	273,564	409	-	-	65,374	-	65,374	-
28.	Axon Group Limited.	GBP	102.63	69,580	20,421,899	20,632,281	140,802	-	-	1,244,542	-	1,244,542	-
29.	Axon Solutions Inc.	USD	60.19	1,864	4,990,096	8,484,794	3,492,834	58,982	11,959,402	351,412	(533,404)	884,816	-
30.	Bywater Limited	GBP	102.63	5,682	164,607	170,597	308	-	-	(4,723)	-	(4,723)	-
31.	Axon Solutions Limited	GBP	102.63	103	3,103,606	6,492,615	3,388,906	-	13,474,652	(1,847)	14,778	(16,625)	-
32.	HCL Axon Malaysia Sdn. Bhd.	MYR	18.75	412,458	374,230	1,180,713	394,025	-	1,945,087	377,235	(84,507)	461,742	-
33.	Axon Solutions (Shanghai) Co. Limited	CNY	10.21	21,125	(121,226)	355,136	455,236	-	401,166	201,466	-	201,466	-
34.	Axon Solutions Singapore Pte Limited	SGD	48.22	4,822	(95,313)	113,521	204,012	-	149,749	29,798	-	29,798	-
35.	HCL Technologies Philippines Inc.	PHP	1.38	252,165	(117,313)	486,548	351,696	-	511,688	(23,667)	1	(23,668)	-
36.	HCL Technologies South Africa (Proprietary) Limited	ZAR	5.68	16,890	146,583	240,263	76,790	-	578,046	92,108	25,790	66,318	-
37.	HCL Axon Technologies Inc.	CAD	56.36	688,056	(93,583)	1,651,083	1,056,611	-	2,166,956	229,898	65,047	164,851	-
38.	Axon Solutions Pty Limited	AUD	56.56	1,223,259	(1,166,975)	242,263	185,979	-	512,493	(68,888)	(17,027)	(51,861)	-
39.	HCL Technologies Solution GmbH	CHF	67.64	1,353	(3,711)	237	2,595	-	-	(1,718)	324	(2,042)	-
40.	HCL Technologies Norway AS	NOK	9.77	29,249	191,123	1,946,027	1,725,655	-	1,924,464	92,599	24,923	67,676	-
41.	HCL Insurance BPO Services Limited	GBP	102.63	832,294	(334,457)	1,111,128	613,291	-	2,528,595	(149,013)	-	(149,013)	-
42.	HCL America Solutions Inc.	USD	60.19	602	(987)	245,723	246,108	-	628,151	(1,040)	(591)	(449)	-
43.	HCL EAS Limited	USD	60.19	9,482,974	(1,147,860)	43,944,172	35,609,058	-	346,805	909,312	-	909,312	-

Statement regarding Subsidiary Companies as required by the approval granted under Section 212(8) of the Companies Act, 1956.

(All amounts in ₹ Thousands)

Sl. No.	Name of the Subsidiary Company	Currency	Exchange Rate as on respective balance sheet date	Share Capital	Reserves	Total Assets	Total Liabilities	Investments (other than in subsidiaries)	Turnover	Profit before tax	Provision for tax	Profit after tax	Proposed Dividend
44.	HCL Axon (Proprietary) Limited.	ZAR	5.68	493,934	646,972	2,046,634	905,728	-	2,831,736	518,586	145,147	373,438	-
45.	HCL (Brazil) Tecnologia da Informacao Ltda.	BRL	26.17	646,022	(458,538)	436,944	249,460	-	1,224,982	66,238	19,462	46,776	-
46.	HCL Technologies Romania s.r.l.	RON	18.76	6,626	(3,121)	11,475	7,970	-	17,878	(964)	497	(1,460)	-
47.	HCL Hungary Kft	HUF	0.27	2,392	1,596	10,602	6,614	-	13,666	519	27	492	-
48.	HCL Latin America Holding LLC	USD	60.19	744,018	3,531	747,548	-	-	-	165	-	165	-
49.	HCL Argentina s.a.	ARS	7.40	21,934	(1,949)	42,226	22,240	-	41,044	4,923	3,309	1,614	-
50.	FILIAL ESPAÑOLA DE HCL TECHNOLOGIES, S.L.	EUR	82.21	24,663	9,482	219,063	184,918	-	235,481	5,722	2,091	3,631	-
51.	HCL Mexico S. de R.L.	MXN	4.72	73,798	(34,681)	659,720	620,602	-	1,131,557	(25,397)	38,480	(63,877)	-
52.	HCL Investment (UK) Limited	GBP	102.63	657,328	(1,819)	656,062	553	655,020	-	(599)	-	(599)	-
53.	HCL Eagle limited	INR	1.00	1,000	26,124	160,570	133,446	-	259,273	25,415	930	24,485	-
54.	PT. HCL Technologies Indonesia Limited	IDR	0.01	23,003	(15,930)	66,436	59,364	-	89,549	1,090	(3,854)	4,944	-
55.	HCL Technologies Chile Spa	CLP	0.11	65,726	25,062	328,438	237,650	-	253,495	31,195	6,133	25,062	-
56.	HCL Technologies UK Limited	GBP	102.63	318,448	18,473	1,150,639	813,719	-	625,914	18,473	-	18,473	-
57.	HCL Technologies B.V.	EUR	82.21	8,221	(863)	7,569	211	-	-	(863)	-	(863)	-
58.	HCL (Ireland) Information Systems Limited	EUR	82.21	8,221	(322)	8,203	304	-	-	(322)	-	(322)	-
59.	HCL Technologies Germany GmbH	EUR	82.21	8,221	(730)	8,255	764	-	-	(730)	-	(730)	-
60.	HCL Technologies Belgium N.V.	EUR	82.21	8,221	(982)	8,201	962	-	-	(982)	-	(982)	-
61.	HCL Technologies Sweden AB	SEK	8.96	7,703	(252)	7,629	179	-	-	(252)	-	(252)	-
62.	HCL Technologies Finland Oy	EUR	82.21	8,221	(509)	8,147	435	-	-	(509)	-	(509)	-

Notes:

Refer table given below for absolute amount of share capital in each of the following companies:-

Name of the Subsidiary Company	Share Capital(₹)
HCL Expense Management Services Inc.	60

For HCL Technologies Limited

Shiv Nadar
Chairman and Chief Strategy Officer

Amal Ganguli
Director

Anant Gupta
President and Chief Executive Officer

Anil Chanana
Chief Financial Officer

Manish Anand
Company Secretary

Place: Noida, UP (India)
Date: 17 October, 2014

NOTES

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WWW.HCLTECH.COM



www.hcltech.com

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Relationship[™]
BEYOND THE CONTRACT

HCL

HCL TECHNOLOGIES LIMITED

Corporate Identity Number : L74140DL1991PLC046369

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

Tel. : +91 120 4013000, Fax : + 91 120 2526907

Website : www.hcltech.com



ATTENDANCE SLIP

22nd Annual General Meeting on Thursday, 4th December, 2014 at 11: 00 A.M. at FICCI Auditorium, Federation House, 1, Tansen Marg, New Delhi-110001.

I hereby record my presence at the 22nd Annual General Meeting of the Company, held on Thursday, 4th December, 2014 at 11:00A.M. at FICCI Auditorium, Federation House, 1, Tansen Marg, New Delhi - 110001.

I am a member of the Company / I am a Proxy / Authorised Representative of the member(s)*.

.....
Name of the Member/Proxy/Authorised Representative*
(in BLOCK LETTERS)

.....
Signatures of the Member/Proxy/Authorised Representative*

* Please Strike off whichever is not applicable

- Notes :**
1. Please complete the Attendance slip and hand it over at the Registration Counter at the venue.
 2. Members are requested to bring their copies of the Annual Report in the meeting.

FOR THE ATTENTION OF SHAREHOLDERS
NO GIFTS WOULD BE DISTRIBUTED BY THE COMPANY AT THE AGM

HCL TECHNOLOGIES LIMITED

Corporate Identity Number : L74140DL1991PLC046369

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

Tel. : +91 120 4013000, Fax : + 91 120 2526907

Website : www.hcltech.com



PROXY FORM

I/We being the members(s) ofshares of the above named Company hereby appoint.

(1) Name:Address:

E-mail Id:Signature:or failing him;

(2) Name:Address:

E-mail Id:Signature:or failing him;

(3) Name:Address:

E-mail Id:Signature:or failing him;

as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22nd Annual General Meeting of the Company, to be held on Thursday, the 4th Day of December, 2014 at 11:00 A.M. at FICCI Auditorium, Federation House, 1, Tansen Marg, New Delhi-110001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions
Ordinary Business	
1.	Adoption of accounts
2.	Retirement of Mr. Srikant Madhav Datar as Director and not to fill the vacancy so caused
3.	Re-appointment of Mr. Shiv Nadar as Director
4.	Appointment of Statutory Auditors
Special Business	
5.	Appointment of Mr. Srinivasan Ramanathan as an Independent Director
6.	Appointment of Mr. Amal Ganguli as an Independent Director
7.	Appointment of Ms. Robin Ann Abrams as an Independent Director
8.	Appointment of Mr. Keki Mistry as an Independent Director
9.	Appointment of Dr. Sosale Shankara Sastry as an Independent Director
10.	Appointment of Mr. Subramanian Madhavan as an Independent Director
11.	Payment of commission to Non-executive Directors
12.	Continuation of Mr. Shiv Nadar, Managing Director of the Company beyond the age of 70 years

Signed this..... day of.....2014

Signature of Shareholder

Signature of Proxy holder(s)

Affix
₹1/-
Revenue
Stamp

- Note:** 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A proxy need not be a member of the Company.
3. In case of multiple proxies, proxy later in time shall be accepted.

FORM - A

Covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company	HCL Technologies Limited
2.	Annual financial statements for the year ended	June 30, 2014
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable



Shiv Nadar
Chairman & Chief Strategy Officer



Amal Ganguli
Director
(Chairman- Audit Committee)



Anant Gupta
President & Chief Executive Officer



Anil Kumar Chanana
Chief Financial Officer

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration number:301003E



per Tridibes Basu
Partner
Member No. 17401

Gurgaon
Date: July 31, 2014

18 NOV 2014

CERTIFIED TRUE COPY
For HCL TECHNOLOGIES LIMITED


MANISH ANAND
Company Secretary

