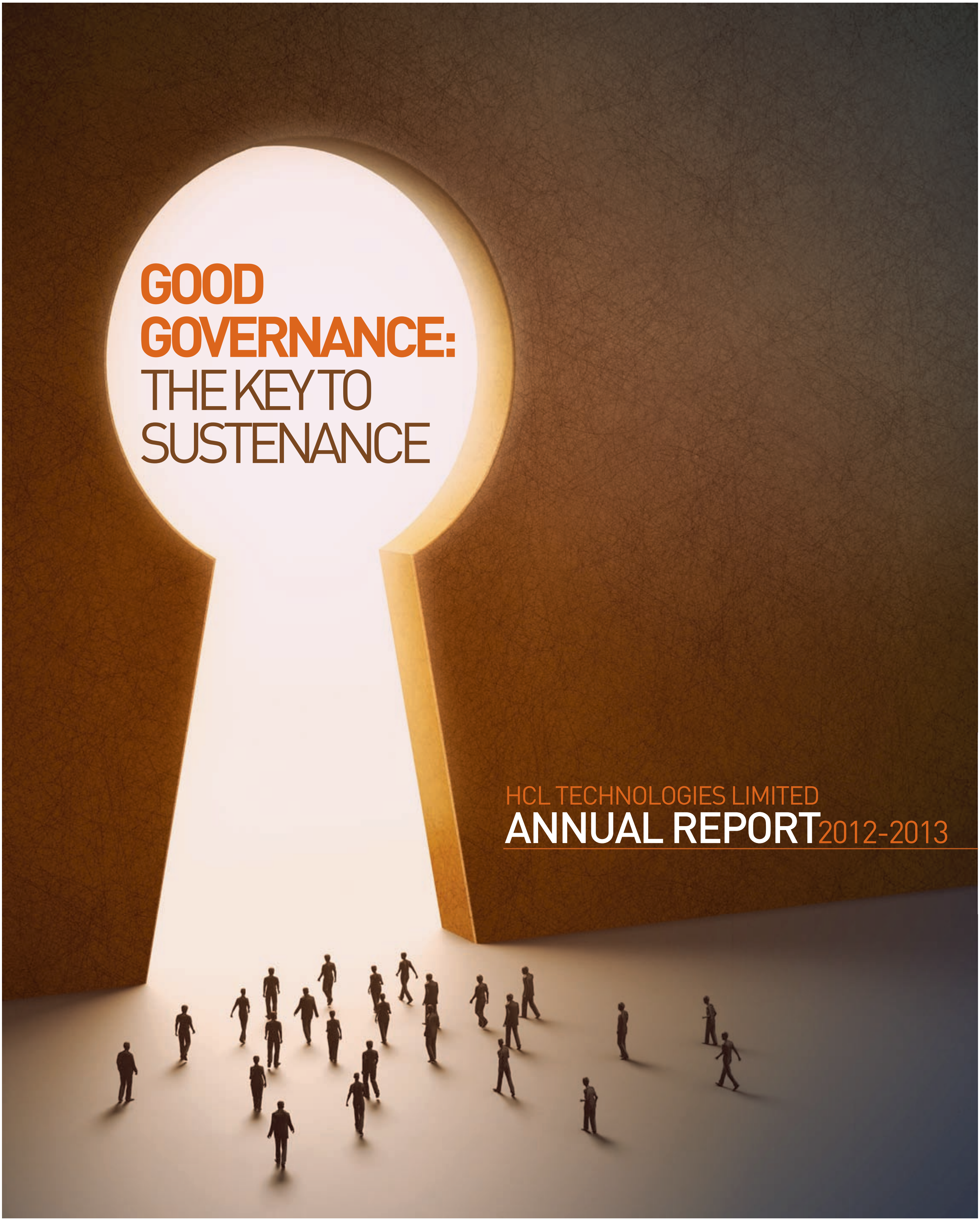
HCL



GOOD GOVERNANCE: THE KEY TO SUSTENANCE

HCL TECHNOLOGIES LIMITED

ANNUAL REPORT 2012-2013

CONTENTS

BOARD OF DIRECTORS

MR. SHIV NADAR
Chairman & Chief Strategy Officer

Ms. ROSHNI NADAR MALHOTRA
Non-Executive Director

MR. VINEET NAYAR
Non-Executive Director

MR. AMAL GANGULI
Non-Executive & Independent Director

MR. KEKI MISTRY
Non-Executive & Independent Director

MR. R. SRINIVASAN
Non-Executive & Independent Director

Ms. ROBIN ABRAMS
Non-Executive & Independent Director

MR. SOSALE SHANKARA SASTRY
Non-Executive & Independent Director

MR. SRIKANT MADHAV DATAR
Non-Executive & Independent Director

MR. SUBRAMANIAN MADHAVAN
Non-Executive & Independent Director

MR. SUBROTO BHATTACHARYA
Non-Executive & Independent Director

MR. SUDHINDAR KRISHAN KHANNA
Non-Executive & Independent Director

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', and '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.

Current State of the Indian IT Industry

The Indian IT Services industry has exhibited rapid evolution in terms of expanding their vertical and geographic markets, attracting new customer segments, transforming from technology partners to strategic business partners imbibing a shared vision and offering a considerably wider spectrum of services.

According to NASSCOM estimates, export revenues (excluding hardware) are expected to cross USD 75.8 billion in FY 2013, growing by 10.2% during FY'13. Software and Services export revenue (excluding hardware) had posted 14.9% growth during FY 2012.

- **Verticals:** The industry's vertical market mix is well balanced across several mature and emerging sectors. Growth this year was driven by emerging verticals of healthcare, retail and utilities growing at a consolidated 12%, even as the traditional verticals BFSI and manufacturing recorded above industry growth.
- **Geographies:** The year was characterized by healthy growth in Europe (including United Kingdom) and Asia Pacific. US, the biggest market for IT-BPM exports also continued its growth momentum albeit at a slower pace. As the European market is becoming more amenable to off -shoring, growth in this region is expected to firm up further.

QUICK FACTS

[NASSCOM on the Indian IT Industry]

- The industry is estimated to aggregate revenues of USD 108 billion in FY 2013
- IT software and services sector (excluding hardware) account for USD 95 billion of revenue.
- As a proportion of national GDP, the sector revenues have grown from 1.2% in FY 1998 to nearly 8% in FY 2013
- Its share of total Indian exports (merchandise plus services) increased from less than 4% in FY 1998 to about 23-25 % in FY 2013

- **Service Lines:** As per NASSCOM estimates, amongst service lines, Business Process Management segment is expected to be the fastest growing at 12.2% and is estimated to gross USD 17.8 billion in FY 2013. The IT services segment aggregated export revenues of USD 43.9 billion, accounting for nearly 58% of total exports and a growth of 9.9% over FY 2012.

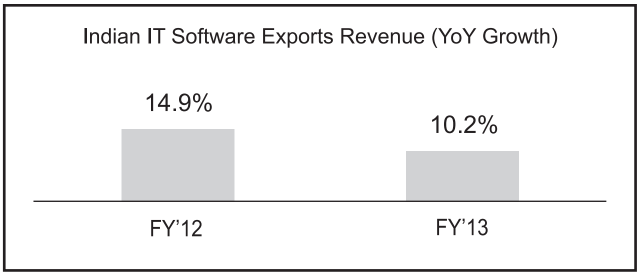


Figure 1.1

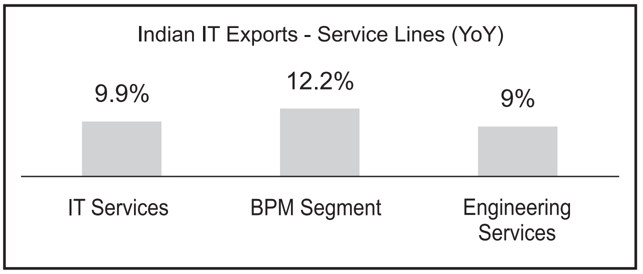


Figure 1.2

HCL Technologies (HCLT) continues to outperform the Indian IT-Industry . As shown in the chart (Figure 1.3), during the period ending March 2013, HCLT's revenues grew by 12% YoY to reach USD 4.53 Billion. HCLT's revenue has grown by 21% on a 3 year CAGR basis whereas the Indian IT Industry grew by 13.5% during the same period. On a 5 year CAGR basis, HCLT's revenue grew by 21% whereas the Indian IT-BPO industry grew by 11.4%.

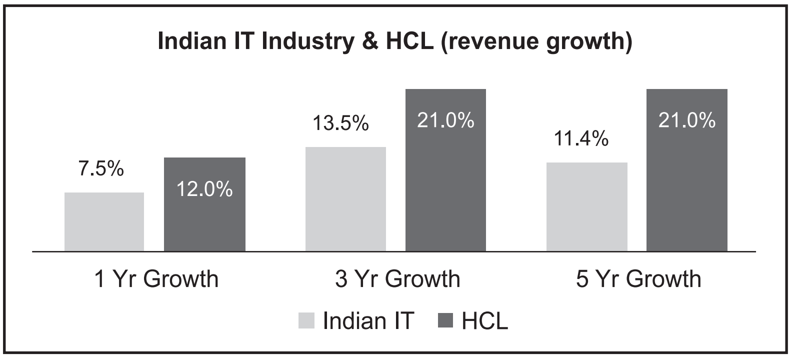


Figure 1.3 (HCL revenue numbers LTM YoY JFM)

The Industry Outlook

As per NASSCOM estimates the global economic environment is set to improve from 2013 onwards, with global GDP expected to increase by 3.5 per cent in 2013 and further by 4.1 per cent in 2014. Service providers are realigning themselves to current and emerging opportunities in the form of Intellectual Property (IP) based platforms, customized business models, tailor made customer solutions and hybrid delivery. This, in turn, is helping the industry to evolve and position itself as a strategic business partner to global customers.

Five major technological changes are expected to open up new opportunities for service providers:

- Smart Computing
- Software-as-a-Service (SaaS)
- Social Technologies
- Mobility
- Analytics

Future Outlook

- Worldwide packaged software revenue expected to grow by over 6.5 per cent in 2013
- Global IT-BPM spend is expected to grow between 5-6 per cent
- Business process management spending in 2013 is expected to be increasingly driven by F&A and procurement segments, followed by HR outsourcing and customer care

The IT buying landscape has also undergone a major shift. One mega trend is the expanding role of IT. The stakeholder has expanded beyond the role of the CIO. Information Technology's role is shifting from a reactive back-end support operation to a strategic enabler of innovation.

IT services industry is expected to grow by 4.2% in 2013 as per NASSCOM as firms work at ways to reduce costs and increase profitability, realizing the need for information technology to create competitive advantage.

NASSCOM estimates that, total revenues for FY 2014 from IT (domestic as well as exports, excluding hardware) will grow between 13% and 15% to reach USD 106-111 billion; of this, exports are likely to be about USD 84-87 billion, a growth of about 12-14%.

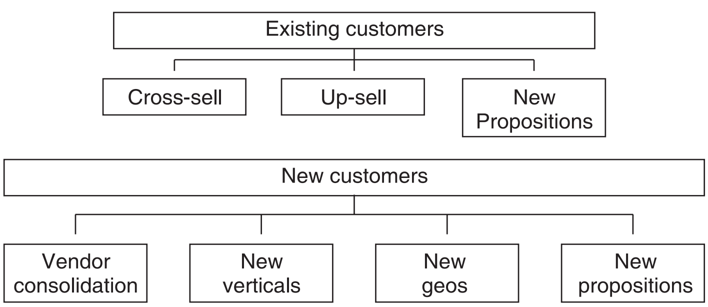
Drivers for future growth

Smart computing, 'anything'-as-a-service, technology enablement in emerging verticals as well as the small and medium business market are expected to open new opportunities for the industry.

Domestic IT-Business Process Management Industry revenue (excluding hardware) is expected to grow at 14.1% to gross INR 1,047 billion in FY 2013. Rapid advancement in technology infrastructure, increasingly competitive Indian organizations and emergence of business models that help provide IT services and enablement to new customer segments are key drivers for increased technology adoption in India.

The Indian IT industry will continue to redefine and transform itself by establishing new business and global delivery models and partnerships. Global sourcing will be the key growth driver, with organizations trying to reduce operational costs, enter new markets and focus on innovation.

HCLT - Opportunities for Growth



HCLT- Key growth drivers:

New capabilities to adapt to a changing market and intensifying competition

- Organically upgraded Lines of Business (LoBs) such as infrastructure and engineering and R&D services
- A well balanced portfolio to address full IT opportunities
- A simplified and consolidated structure instead of the erstwhile fragmented one- clearly established lines of accountability
- Positioning as a provider of end-to-end services and not just skills, due to new offerings, domain depth and consulting capabilities
- Focus on revenue growth through existing and new customers
- Evolving account management practices to become "best in class"
- Investments in high value services and global delivery model
- Looking beyond traditional levers to achieve non-linear growth

For existing customers:

- Offering a wide portfolio of services

At HCLT, new customer acquisition and growth across existing customers has been the key to success.

- $10 Mn clients quadrupled from 26 in FY 07 to 102 in FY 13
- $ 20 Mn clients quadrupled from 13 in FY 07 to 51 in FY 13

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

- From existing customers: Opportunities reside in cross-sell, up-sell and new propositions such as business-aligned IT, Cloud computing, platform-based BPO and Green IT. HCLT provides increased value to its customers by leveraging key alliances and partnerships to facilitate joint solution development.
- From new customers: Growth opportunities could come from vendor consolidation, new verticals and new geographies. Vendor consolidation will contribute significantly to global offshoring.

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

The HCLT Strategy

HCLT's strategy of focusing on growth, service innovation and unique positioning in the marketplace has further improved its competitive standing. It has been leading the Indian IT industry's growth over the past five years. During this period, HCLT has developed new capabilities while adapting to changing market dynamics and intensifying competition.

Going forward, HCLT will continue to focus on revenue growth through existing and new customers and will evolve account management practices to make these "best in class". HCLT will offer increased value to existing customers through alliances and partnerships ecosystem. By engaging in joint solution development with partners, HCLT will build differentiated industry-specific and cross-industry solutions. At the same time, it will continue to make investments in high value services and strengthen its global delivery practices while looking beyond traditional avenues to achieve non-linear growth.

Infrastructure Services Division (ISD)

Infrastructure Services Division (ISD) continues to be HCLT's fastest growing business line contributing over 29.2% to the total revenue. On a three-year basis, it is the fastest growing infrastructure services provider in the world with revenue of $1Bn. The division manages mission - critical IT environment for over 20 of the Fortune 100 organizations.

With a differentiated value proposition, *Industrialized IT Management*, ISD is positioned to address enterprise IT infrastructure requirements.

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

- **Cloud Computing Services-** Cloud consulting and assessment, migration and implementation including management and hosting of private Cloud or utility infrastructure and management of public Cloud as a part of the infrastructure services. The aggregation and management of Cloud services is executed through HCL's proprietary MyCloud platform.
- **Data Center Services**– End-to-end life cycle of services including management and hosting of customer assets, consolidation and migration services, virtualization and design and management of green data centers. These services also take care of mainframe & AS/400 management.
- **End User Computing Services**– Service desk, messaging and collaboration services, managed print services, managed desktop services, global field support, client application management services, business productivity online services, application packaging factory, Windows 7 & 8 migration and asset management.
- **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 & frameworks such as MTaaS™ (Management Tools-as-a-Service).
- **Network Services–** Day 0, 1 and steady state operations across original equipment manufacturers (OEMs), enterprises and telecom service providers. Critical services in this space involve managed network services, network consulting services, network virtualization and technical product support services.
- **Information Security Services–** Managed security services, information security consulting services and identity and access management services.
- **System Integration Services** across the entire infrastructure service stack.

SNAPSHOT

- Fastest growing business line, constituting 29.2% of HCLT's revenues
- Services offered are primarily geared towards the G2000 companies and offer a credible alternative to Global MNC IT outsourcers
- Manages mission-critical environments for over 20% of the Fortune 100 organizations
- Offerings: Cloud Computing Services, End User Computing Services, Data Center Services, Network Services, Information Security Services, Cross-Functional Services, Mainframe & AS/ 400 Management & System Integration.
- Industries served include Automotive, Banking, Chemical, Energy (Oil & Gas) & Utility, Consumer Electronics, Financial Services, Consumer Products, Hi-tech, Independent Software Vendor (ISV), Insurance, Life Science, Healthcare & Pharmaceuticals, Manufacturing, Media, Publishing & Entertainment, Retail, Telecom & Travel, Tourism & Logistics

ISD has successfully delivered 580+ complex IT infrastructure architecture and operations transformations and is increasingly acknowledged and recognized by Fortune 100, Fortune 500 and Global 2000 enterprises as a credible alternative to top tier global MNCs.

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

The solution spans major industries including Automotive, Banking, Chemical, Energy (Oil & Gas) & Utility, Consumer Electronics, Financial Services, Consumer Product Goods, Hi-tech, Independent Software Vendor (ISV), Insurance, Life Science, Healthcare & Pharmaceuticals, Manufacturing, Media, Publishing & Entertainment, Retail, Telecom, Travel and Tourism & Logistics.

HCLT'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 was featured in the afterword to Nick Carr's book "The Big Switch".
- HCL Technologies is a *Leader* among Global Workplace Services Vendors-The Forrester Wave™ : Workplace Services, Q1, 2013.
- HCL has been positioned as a *Leader* in Gartner's Magic Quadrant for Data Center Outsourcing and Infrastructure Utility Services, North America, by William Maurer, David Edward Ackerman, and Bryan Britz, August 29, 2012. In this report, Gartner examines the abilities of 20 service providers' to deliver Datacenter Outsourcing and Infrastructure Utility Services in North America, and their vision for the future of these services.
- HCL has been positioned as a *Leader* in Gartner's Magic Quadrant for Desktop Outsourcing Services, North America, by David Edward Ackerman, Helen Huntley, Bryan Britz, and William Maurer, July 24, 2012.
- HCL has been positioned as a *Leader* in Gartner's Magic Quadrant for Helpdesk Outsourcing, North America, by Helen Huntley, David Edward Ackerman, Bryan Britz, and William Maurer, July 24, 2012.
- HCL has been positioned as a *Niche Player* in Gartner's Magic Quadrant for Data Center Outsourcing and Infrastructure Utility Services, Europe by Claudio Da Rold, Gianluca Tramacere and Frank Ridder, July 12, 2012.
- HCL has been positioned as a *Niche Player* in Gartner's Magic Quadrant for Desktop Outsourcing, Europe by Frank Ridder, Claudio Da Rold, and GianlucaTramacere, August 21, 2012.
- HCL has been positioned as a *Niche Player* in Gartner's Magic Quadrant for Help Desk Outsourcing, Europe by Gianluca Tramacere, Claudio Da Rold and Frank Ridder, August 29, 2012.
- HCL has been positioned as a *Challenger* in Gartner's Magic Quadrant for Communications Outsourcing and Professional Services by Eric Goodness and Christine Tenneson, December 20, 2012.
- HCL has been rated as a *Leader* in Enterprise Mobility and Cloud Computing by Zinnov as per its ‘Global Service Provider Ratings (GSPR) 2012’.
- The National Outsourcing Association (NOA) has named HCL Technologies as its '2012 Outsourcing Service Provider of the Year'.
- HCL has received the '2012 Service Excellence award' from Brocade, a leader in Data Center Networking Solutions, in recognition of its significant contribution and commitment to providing multi-domain services to Brocade.
- HCL has been crowned CEVA's 'Global Supplier of the Year' in recognition of the support it has provided in the "delivery of three of CEVA's five strategic priorities in the last 12 months for true commitment to working in partnership".
- InformationWeek conferred ValueHonors™ Award on HCL's customers for infrastructure services to companies like Avago Technologies, Cummins Inc., Electrolux, Old Mutual Wealth Management, Purdue Pharma, Xerox and a Fortune 500 pharmaceutical company. InformationWeek evaluated more than 100 Fortune 1000 and Global 2000 companies across the globe for these awards. There was a stringent nomination process by which enterprises demonstrated objective evidence of value creation across five categories: Best Service Desk, Best Data Center Transformation, Best Cloud Strategy, Best Transition Management and Most Responsive to Business.

Custom Application Services

Business differentiation through IT by creating visibility, reducing IT intensity, enabling operational excellence, and distinct focus on transformation makes Custom Application Services division, a game changer at HCLT. Today HCLT's customers look at IT, not just as a percentage cost to overall spends, but more on how it can help increase revenues, reduce overall costs, and enable new business models.

The partnering approach taken by HCLT's Custom Application Services division has a proven track record of enabling customers achieve strategic control, while at the same time releasing internal IT bandwidth to focus on strategic initiatives. The division contributes

30% of HCLT's revenues and provides services across verticals such as financial services, retail and consumer products, healthcare, insurance, media and publishing, manufacturing and public services.

HCLT's Custom Application Services division uses IPs, tools, frameworks and industry best practices to provide differentiated *change-the-business, run-the-business and cross-functional IT* services to customers. By focusing on these three aspects of the customer's IT ecosystem, the division has been successful in providing committed savings on Application Management and increasing agility and adoption on Application Build engagements.

With a modular approach to design, development, testing, and rollout, HCLT's ADeX Practice (Application Development Excellence) leverages best-in-class development processes and methodologies along with benchmark tools and reference architectures, to ensure that client requirements are met with high productivity and process compliance.

To align IT with business needs, the division provides cross-functional services through collaborative governance, flexible commercial models and tools, which provide business differentiation through IT. In addition, flexible commercial models such as onsite, near-shore, offshore facilities, shared delivery centers assist in defining, realizing and sustaining business change.

SNAPSHOT

- Constitutes 30% of HCLT's revenues.
- Offerings: Application development, management, support, re-engineering, modernization, migration and independent verification & validation.
- Industries: Retail, banking, insurance, capital markets, media & publishing, manufacturing and public & healthcare services.
- Significant investments in niche technologies: e-commerce, Mobility, Cloud and Analytics.

HCLT's value-centric focus keeps it continuously investing in robust methodologies, tools and processes and best-of-breed partnerships. Skills are continuously upgraded within the practice and customers continue to enjoy faster time-to-market as they leverage HCLT's extensive research and development on methodologies, reusable components and frameworks.

Currently, HCLT is investing significantly in niche technologies such as e-commerce, Mobility, Cloud and Analytics.

Engineering and R&D Services

HCLT's Engineering and R&D Services (ERS) business unit is the largest Indian engineering service provider and constitutes 17.5% of the company's overall revenues. HCLT ERS works with some of the most innovative and successful organizations in the world. With over two decades of experience operating in complex multi-vendor environments and customer value chains, HCLT ERS is able to seamlessly integrate into a customer's existing R&D ecosystem.

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

HCLT ERS understands that our success as an engineering partner depends on the success of our customers' products and solutions. We believe that business success today is the result of phenomenal customer experiences. HCLT ERS combines passion for engineering to help 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 HCLT ERS. We have 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. HCLT ERS is committed to creating thought leadership in areas such as social media, medical devices, PLM, gesture technology, etc. We practice it by encouraging bold thinking and disruptive approaches that are needed to help our customers outperform in a rapidly changing digital economy.

We are not only involved in engineering complex and critical products for some of the largest corporations in the world, but we are also constantly pushing the boundaries of technology and defining new and differentiated ways to offer our services.

One such differentiation is our 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 our customers.

SNAPSHOT

- Constitutes 17.5 % of HCLT's revenues
- One of the largest global Engineering and R&D Services organizations in the world
- Offerings: End-to-end engineering services & solutions in hardware, embedded, mechanical and software product engineering
- Key differentiator: "Engineering Experiences" [E2]
- Industries served: Aerospace & defense, automotive, consumer electronics, industrial manufacturing, medical devices, networking & telecom, office automation, semiconductor, servers & 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: AEGIS, Agora, Device Mobility Interface Framework, Website Analyzer

Our 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. HCLT is investing heavily in developing solutions to help clients impact the overall product ecosystem faster and better .Some of the focus areas of our solutions include Mobility, M2MPlatforms, Software as a Service models Cloud, NUI, 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, Semiconductor, Cloud Computing, Enterprise Mobility and Aerospace & Defense R&D Service Providers. This is proof of the fact that HCLT 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. HCLT ERS possesses a formal innovation culture, resulting in IP's and strategic innovations and plays a leadership role in alliances, leverage startups, Specific academic research and co-creation with customers.

Business Services Division

HCLT pioneered third party BPO in India by launching its BPO division in 2001. Today, HCLT's Business Services division provides Next Generation BPO services to nearly 100 clients across various geographies and industries. We were among the first India-based IT services companies to implement the offshore development model as a method for delivering high-quality services at a relatively low cost to international clients.

HCLT's Business Services division has built its presence across multiple geographies with state-of-the-art BPO delivery centers (34 centers across India, USA, Europe, Ireland, UK, LATAM and the Philippines). HCL's Business Services division employs over 10,000 professionals 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, HCLT today provides domain oriented, transformation-led BPO solutions and services to Fortune 500/Global 2000 customers. Through its Vertical Business Services, HCLT 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, HCLT 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.

Industry Recognitions

- Felicitated with the prestigious 'National Best of All Awards' on Economics of Quality at the QCI-DL Shah National Awards 2013
- Ranked in the Leaders Category of IAOP's 2013 Global Outsourcing 100
- Ranked in the Top 5 vendors for EMEA - Retail Banking BPO Market, Nelson Hall 2013
- Positioned in the 'Visionaries' quadrant in Finance & Accounting (F&A) BPO, Gartner 2013
- Leading-Edge Learning BPO provider, Gartner 2013
- Robust SCM BPO Capabilities, Everest 2013
- Major Contender in Capital Markets BPO, Everest 2012
- Major Contender in Insurance BPO, Everest 2012
- Major Contender in Capital Markets BPO, Everest 2012
- ISG lists HCL as a Top Service Provider in BPO market: TCV>$ 10m (Industry Specific)
- Major Contender in Multi-Country Payroll Outsourcing, Everest 2012
- Key vendor in APAC BPO, Gartner 2012
- 'Emerging Player' in Banking BPO, Everest 2012

SNAPSHOT

- BPO constitutes 4.4% HCLT's revenues
- Offers Next Generation BPO services to global organizations, most of which are Fortune 500/Global 2000 companies
- Areas of focus
  - BFSI, Healthcare
  - Enterprise Function as a Service (EFaaS)
  - F&A, SCM, and Product Support Services
- Innovation and improvement-led solutions
- Flexible business models, including Output and Outcome based constructs
- Risk & Compliance
- Numerous industry recognitions and awards

Enterprise Applications Services (EAS)

HCL's EAS group enables clients to operate from single, integrated technology platforms to run all aspects of their organizations. Whether in the cloud, on-demand or on-premise, the EAS group ensures all data, transactions and information required to operate best-run businesses are at the fingertips of company executives. The EAS division accounts for over 18.9% of HCL's revenues and continues to be a key area of growth.

Strategic partnerships with SAP, Oracle and Microsoft ensure that HCL can make the latest enterprise technology offerings available to its clients. These partnerships have enabled HCL to build a leading position in moving enterprise technology onto the mobile platform, allowing employees, managers and executives to access the processes and information they require in real-time on a global basis.

EAS has won several awards for its Enterprise Mobility Services. iEM, a mobile application that enables utility customers to take control of their energy consumption through the Smart Grid, won the 2011 SAP Mobility Showcase Award at the SAPPHIRE NOW event. mSAM, a mobile application that drives efficiencies for large and distributed field service operations, won the 2012 SAP Innovation Challenge for Manufacturing Mobile Apps. EAS will continue to invest in Enterprise Mobility offering clients a comprehensive range of services from mobile application development and integration to mobile application services, to fully managed mobility including provisioning, hosting, and end-user support.

EAS continues to grow from strength to strength with successful client recognitions. HCL's EAS division has won several awards within the UK and Europe. This is a great recognition of achievement in the last year including European IT Software Excellence Awards 2013 in the Mobile/Communications Solution of the Year category for its work at Police Service of Northern Ireland (PSNI). EAS and SAP relationship continues to deliver value to our customers through industry-focused excellence and orchestrated innovation through diverse resources.

HCL's client base is now looking to EAS as a transformational partner in the Oracle space. Through EAS' benefits driven approach to helping clients change their business, HCL is able to focus on business solutions powered by Oracle technology to drive tangible benefits to the business.

HCL's solution driven approach with select partners like Microsoft coupled with a continuous focus on capability development has helped provide customers with faster, better and cheaper Microsoft Dynamics CRM solutions. HCL's FinEdge™ a CRM banking solution built on the Microsoft Dynamics Platform has been a key accelerator for our customers. A similar solution accelerator focused in the Public Sector space has been a driving force for Microsoft Dynamics CRM adoption for some of our recent customers. This has helped customers to leverage the benefit of HCL capabilities and derive value from their investment in Microsoft Dynamics CRM. Microsoft Dynamics Practice has been adjudged as the CRM Partner of the Year by Microsoft in the APAC-MEA region. EAS partnership with Microsoft's Business Solutions group has been instrumental in identifying niche market opportunities to drive real customer value.

Consequently, the EAS division continues to be recognized as a global pioneer in the enterprise technology market by clients, analysts and industry associations alike.

Organizations are seeking to operate more efficiently, with broader reach, through more precise business intelligence, and with greater pace. HCL's EAS division enables it's over 200 clients to do precisely this.

SNAPSHOT

- The EAS division accounts for over 18.9% of HCL's revenues and continues to be a key area of growth
- Strategic partnership with SAP, Oracle and Microsoft
- EAS has won several awards for its Enterprise Mobility Services
- Successful client recognitions in the last few years, notably: winner of the SAP Quality Awards 2011 and 2012, IT Europa, European IT Software Excellence Awards 2012 - Enterprise Transformation Solution of the Year and Mobility / Communications Solution of the Year in 2013 and SAP UK & Ireland Run Prouder Partner Award 2012 for Human Capital Management
- EAS Oracle Practice has achieved over 20 specializations including 9 advanced specializations and has been one of the only GSIs recognized as an Oracle Enablement 2.0 Delivery Partner
- HCL EAS has a global agreement with SAP to deliver Managed Mobility Services to Improve Time to Value and Reduce Complexity for Customers
- HCL EAS has entered into global partnership with an SAP company and a global market leader in business execution cloud-based software designed for HCM
- HCL's FinEdge™ a CRM banking solution built on the Microsoft Dynamics Platform has been a key accelerator for our customers

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 in different directions.

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 ensures greater certainty in revenue collection and also provides safeguards against any unfavourable movement. 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 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 any single currency based operations.

2. Employee Related Risks

Risk

In the IT industry, the ability to execute projects, build and maintain client partnerships and achieve forecast operating and financial results are significantly influenced by the organization's ability to hire, train, motivate and retain highly skilled IT professionals. The market continues to be competitive in attracting suitable talent and this is compounded by the constraints around mobility on account of changing regulatory requirements.

HCL Strategy

HCL's business strategy "Employee First, Customer Second" directs our investments to retain the right skilled professionals at the right place, right time and right cost. An initiative, Program FIRST, has been shaped to provide a differentiated experience to our employees with regard to the career, performance, reward, learning and talent management practices facilitating their growth. Our continued focus on diversity and local sourcing will also help mitigate some of the risks we perceive in attracting talent globally.

3. **Regulatory Compliance Risk**

Risk

As HCL operates globally, in developed as well as developing countries with complex and varied requirements for legal and regulatory compliance and is continuously adding new geographies, there is a risk of non-compliance.

HCL Strategy

HCL has put in place a comprehensive global regulatory compliance framework to track regulatory compliance globally. Detailed checklists are available with respective process owners to ensure compliance. The Legal function helps in creating awareness of the legal and regulatory framework in the territories where the Company operates and focuses on the various local compliances related aspects 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 to avoid obsolescence.

HCL Strategy

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

HCL's Chief Delivery Officer (CDO) has dedicated groups which provide services to various delivery teams on process, frameworks, tools and technical training in addition to driving all the transformation initiatives across the delivery organization.

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

Under the new Industrialized Global Delivery Initiative, the CDO groups focus on improving quality, productivity and predictability of delivery governed by six principles - standardization, lean processes, tools and automation, creating a pool of skilled people, knowledge management and continuous improvement.

The CDO groups work closely with Vertical and Horizontal lines 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 on the contemporary developments in technology landscape through participation in key technology forums and conferences.

5. **Competition Related Risks**

Risk

The overall market growth is slowing and more and more competitors 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 providers, hardware, software and telecom providers. Telecom players are trying to grow their IT services business, cloud players are bringing in newer and innovative delivery models, and services are becoming commoditized and industrialized. MNC IT players are increasingly developing their offshore presence, leveling the playing field with India based IT providers. Further, we are seeing competition from players in newer geographies like China, Philippines etc., which are eating away some of the Indian IT industry's market share. Because of all this, customers have more choices of technology, vendor and service models which forces every entity engaged in this business to perform to their best capabilities and to enhance them either organically or through acquisitions. More than ever, the risk of not innovating and differentiating enough could hurt the interests of the Company.

HCL Strategy

HCL has been quick to respond to the changing competitive dynamics. Our business model is increasingly shifting from the traditional outsourcing to a non-linear model and growth is being triggered by the alternative outsourcing approach. Our differentiated alternative outsourcing approach evolves from the traditional business model and has unique value propositions such as Alternative ASM, which is HCL's alternative view on managing applications, enabling a highly automated application environment to reduce the number of tickets to zero and Enterprise Function as a Service. Through this unique alternative outsourcing approach, HCL has been able to win contracts away from major incumbents, as well as new business - which is driving our growth and market share. HCL is also seeking active partnerships with game changing players in emerging areas and spaces like cloud. Through these investments and partnerships, HCL is gaining a competitive edge to stay ahead of times.

6. Physical Security

Risk

Risk to human life and assets due to high incidence of terror attacks remains a major risk for companies operating in the third world. The impact would be more on service companies due to the manpower- intensive business model applicable to IT/ ITeS companies, and the great time sensitivity of operations.

HCL Strategy

HCL has set stringent security standards for all its facilities and Offshore Development Centres. During the FY 2013, we have migrated to integrated security designs in our facilities, merging electronic security and manpower guarding, supported by 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 (BCP/DR). 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 the FY 2014, by consolidation of our smaller facilities into our well planned and secured campuses, our ability to withstand and recover from deliberate attacks, accidents, or naturally occurring threats or incidents will increase. We also intend incorporating Crime Prevention through Environmental Design (CPTED) features in our campuses which will contribute to improved security design and greater resilience.

7. Business Continuity & Information Security

Risk

HCL is dealing in maintaining, developing and operating time critical Business and IT applications for various customers. Any natural or man-made catastrophe may halt business activities and cause irreparable damage to the brand reputation of the Company. Similarly, the vital need for confidentiality and security of confidential data both belonging to clients as well as the Company itself also pose risks of leaks, loss or compromise of information.

HCL Strategy

HCL has put in place a comprehensive Business Continuity program to ensure that it meets its Business Continuity and Disaster Recovery related requirements as assessed by the Board and as agreed with the Customers. Similarly, there is an Information Security team to assess and manage the information security and data privacy and related risks by leveraging on 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 and nature of business. These systems provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the company and ensuring compliance with corporate policies.

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

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

The Company's Audit committee comprising of 3 independent directors, which is a sub-committee of the Board, 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 them to the Board for approval.

PERFORMANCE TREND

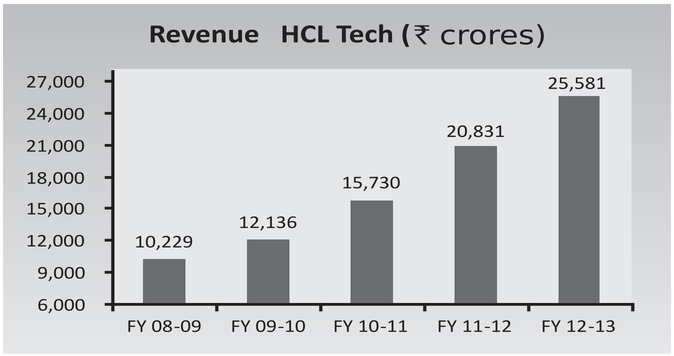
Over the years, HCL Technologies Limited has emerged from being a trusted expert, to a trusted business advisor to all its clients. Today, HCL Technologies Limited is regarded as a leading Company in the IT / ITES space in the globe.

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

OPERATIONAL EXCELLENCE

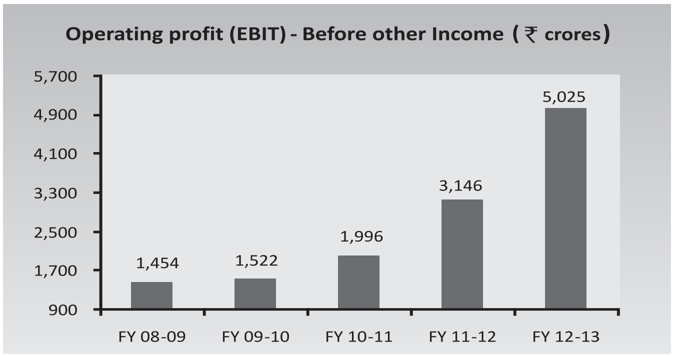
Revenue trend

Revenues grew to a record high of ₹ 25,581 crores ($ 4.67 billion) in 2012-13 a rise of almost 2.5 times from 2008-09, with a compounded annual growth rate (CAGR) of 25.8%.

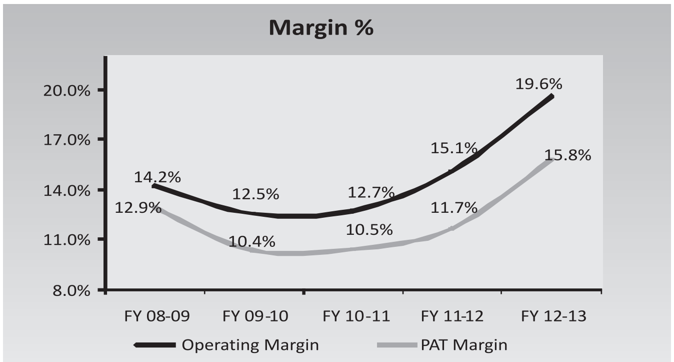


Earnings trends

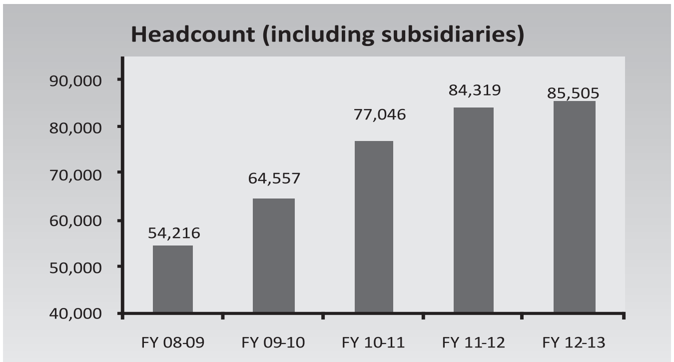
Earnings before interest and tax (EBIT) excluding other income have grown by 3.5 times from ₹ 1,454 crores in 2008-09 to ₹ 5,025 crores in 2012-13, with a compounded annual growth rate (CAGR) of 32.6%.



Operating profit (profit before interest and tax) has improved from 15.8% to 19.6% in 2012-13.

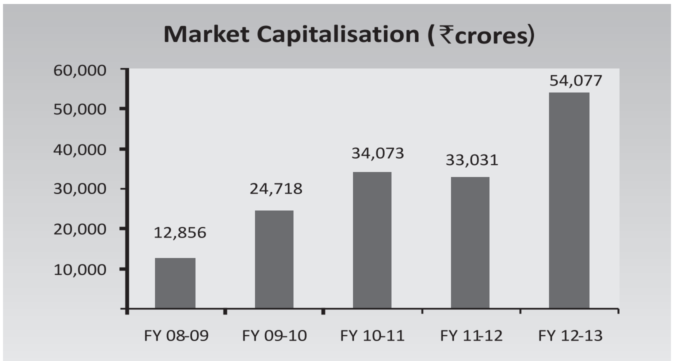


Headcount (including subsidiaries) has expanded by more than 1.6 times from 54,216 in 2008-09 to 85,505 in 2012-13.

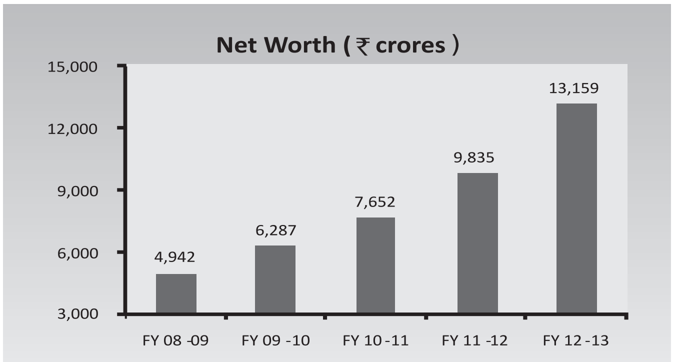


VALUE ADDITIONS SINCE FISCAL 2009

Market capitalization saw a phenomenal increase from ₹ 12,856 crores in fiscal 2009 to ₹ 54,077 crores in fiscal 2013.



The net worth of the company has more than doubled in last 4 years.



FINANCIAL PERFORMANCE

The financial results of HCL Technologies Limited as per Indian GAAP are discussed below in two parts.

- Consolidated results of HCL Technologies Limited which includes performance of subsidiaries, joint venture and associates of HCL Technologies Limited. 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 Technologies Limited which excludes the performance of subsidiaries, joint venture and associates of HCL Technologies limited.

Consolidated results of HCL Technologies Limited:

The Management Discussion and Analysis in this part relates to the consolidated financial statements of HCL Technologies Limited (herein referred to as "HCL" or "the Group") and its subsidiaries, joint venture and associates. The discussion should be read in conjunction with the financial statements and related notes to the consolidated accounts of HCL Technologies Limited for the year ended 30 June 2013.

Key Highlights:

In fiscal 2013, the consolidated revenues of the Group crossed ₹ 25,000 crores and achieved revenues of ₹ 25,581 crores (₹ 20,831 crores in fiscal 2012), registering a growth of 22.8%.

The consolidated profit before tax aggregated ₹ 5,270 crores in fiscal 2013 (₹ 3,210 crores in fiscal 2012) registering growth of 64.2%.

The consolidated net profit after tax for fiscal 2013 aggregated ₹ 4,040 crores (₹ 2,423 crores in fiscal 2012) registering growth of 66.7%.

In fiscal 2013, the Group's consolidated earnings per share is ₹ 58 (₹ 35 in fiscal 2012).

(₹ in Crores)

Particulars	Year Ended June 30				Growth
	2013	%	2012	%	%
Revenue from operations	25,581	100.0	20,831	100.0	22.8
Total Revenues	**25,581**	**100.0**	**20,831**	**100.0**	**22.8**
Cost of materials	959	3.7	612	2.9	56.8
Employee benefit expenses	12,574	49.2	11,105	53.3	13.2
Operating and other expenses	6,386	25.0	5,419	26.0	17.9
Depreciation and amortization expense	637	2.5	549	2.6	15.9
Total expenses	**20,556**	**80.4**	**17,685**	**84.9**	**16.2**
Profit before finance cost, other income & tax	**5,025**	**19.6**	**3,146**	**15.1**	**59.7**
Finance costs	106	0.4	143	0.7	(25.9)
Other income	351	1.4	207	1.0	70.0
Profit before tax	**5,270**	**20.6**	**3,210**	**14.4**	**64.2**
Provision for tax	1,226	4.8	783	3.8	56.7
Share of loss of associates	(0)	-	(4)	-	-
Minority interest	(4)	-	(0)	-	-
Profit after tax	**4,040**	**15.8**	**2,423**	**11.7**	**66.7**

Revenues:-

Revenues during fiscal 2013 have grown by 22.8% compared to fiscal 2012.

The Group derives its revenue from three segments viz Software, Infrastructure services and Business Process Outsourcing services. Segment wise details are given below:

(₹ in Crores)

Particulars	Year Ended June 30				Growth
	2013	%	2012	%	%
Software Services	16,975	66.4	14,775	70.9	14.9
Infrastructure Services	7,525	29.4	5,100	24.5	47.6
Business Process Outsourcing Services	1,081	4.2	956	4.6	13.1
Total Revenue	**25,581**		**20,831**		**22.8**

The Segmentation of software services income by delivery location is as follows:- (In %)

Particulars	Year Ended June 30	
	2013	2012
Onsite	55.2	57.2
Offshore	44.8	42.8

The segmentation of IT revenue (Software and Infrastructure Services) by project types is as follows:- (In %)

Particulars	Year Ended June 30	
	2013	2012
Fixed Price	52.0	49.2
Time and Material	48.0	50.8

Project - Type mix shows a decline in time and material - type projects. This is mainly due to the constantly changing business environment wherein customers are moving towards value based pricing rather than effort based pricing.

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
	2013	%	2012	%	%
US	14,798	57.8	11,243	54.0	31.6
Europe	6,790	26.6	5,528	26.5	22.8
India	1,077	4.2	949	4.6	13.5
Rest of the World	2,916	11.4	3,111	14.9	(6.3)
Total Service Revenue	**25,581**		**20,831**		**22.8**

Revenues from US Geography registered highest growth of 31.6%.

Employee benefit expenses:-

(₹ in Crores)

Particulars	Year Ended June 30			
	2013	%	2012	%
Salaries, wages and bonus	11,027	43.1	9,723	46.7
Contribution to provident fund and other employee funds	1,458	5.7	1,184	5.7
Staff welfare expenses	74	0.3	63	0.3
Employee stock compensation expense	15	0.1	135	0.6
Total	**12,574**	**49.2**	**11,105**	**53.3**

Employee benefit expenses have reduced from 53.3% of revenue in fiscal 2012 to 49.2% in fiscal 2013 driven by improved utilization of billable manpower in software division and lower stock compensation expense.

The utilization of billable manpower during the year is given below.

(in %)

Particulars	Year Ended June 30	
	2013	2012
Offshore - including trainees	77.3	72.4
Offshore - excluding trainees	78.9	75.1
Onsite	96.3	95.5

In terms of the absolute amounts, employee benefit expenses have increased to ₹ 12,574 crores in 2013 from ₹ 11,105 crores in 2012, an increase of 13.2%. The increase is primarily on account of :-

a) Strengthening of USD, GBP, EURO and other currencies against INR resulting in higher cost for employees based outside India.

b) Increase in number of employees during the year from total of 84,319 at the end of fiscal 2012 to 85,505 at the end of fiscal 2013 and

c) Increase in average cost per employee.

Operating and other expenses:-

(₹ in Crores)

Particulars	Year Ended June 30			
	2013	%	2012	%
Rent	328	1.3	312	1.5
Power & fuel	229	0.9	193	0.9
Travel and conveyance	1,137	4.4	1,028	4.9
Outsourcing cost	2,842	11.1	2,394	11.5
Communication costs	285	1.1	242	1.2
Recruitment training & development	109	0.4	132	0.6
Exchange differences	-	0.0	35	0.2
Others	1,456	5.8	1,083	5.2
Total	**6,386**	**25.0**	**5,419**	**26.0**

Operating and other expenses as a percentage of revenue have reduced from 26.0% in fiscal 2012 to 25.0% in fiscal 2013, improving by 100 bps.

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

These costs increased to ₹ 2,842 crores in fiscal 2013 from ₹ 2,394 crores in fiscal 2012.

Profit before Finance cost, Other Income & Tax

The Group's operating profit has increased to ₹ 5,025 crores in fiscal 2013 from ₹ 3,146 crores in 2012, a record increase of 59.7%.

Other Income

Other Income comprises interest received on deposits with banks, dividend from mutual funds and gain due to exchange fluctuations.

The details of Other Income are as follows:

(₹ in Crores)

Particulars	Year ended June 30	
	2013	2012
Interest Income	213	138
Dividend from investments	24	35
Profit on sale of current investments	16	-
Profit on sale of long term investment in Joint venture	27	-
Exchange differences	45	-
Others	26	34
Total	**351**	**207**

Interest income increased from ₹ 138 crores in fiscal 2012 to ₹ 213 crores in fiscal 2013 due to the increase in the pool of treasury investments resulting from incremental cash flow.

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 30,2013	54.89	85.95	73.25	56.07
For the year ended June 30,2012	50.59	80.83	67.43	52.41
Depreciation/(appreciation) (%)	8.5%	6.3%	8.6%	7.0%
Period Ended	**USD**	**GBP**	**EURO**	**AUD**
As at June 30, 2013	59.39	90.50	77.64	54.79
As at June 30, 2012	55.64	86.94	70.09	56.74
Depreciation/ (Appreciation) (%)	6.7%	4.1%	10.8%	(3.4%)

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 realized an exchange gain of ₹ 45 crores compared to loss of ₹ 35 crores reported in operating and other expenses schedule during the previous fiscal year. These exchange gains/ losses are mainly on account of mark to market of forward covers and restatement of foreign currency assets and liabilities.

The Group also 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 has been reported under revenue 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 being recognized directly in the hedging reserve account under shareholders' funds. Total unrealized exchange loss (net of tax) recognized in hedging reserve for fiscal 2013 is ₹ 489 crores and for fiscal 2012, it is ₹ 386 crores.

During the year, the Company has sold its 49% stake in its joint venture "NEC HCL System Technologies Limited" to NEC Corporation at a gross consideration of ₹ 66 crores and accordingly the Group has recognized a gain of ₹ 27 crores on sale of these investments.

TAXATION

The tax expense for 2013 was ₹ 1226 crores compared to ₹ 783 crores in 2012. Tax expense as percentage of profit before tax has reduced from 24.4% in fiscal 2012 to 23.3% in fiscal 2013.The provision for taxation includes tax liability in India and tax liabilities arising overseas. The details are as follows:

(₹ in Crores)

Particulars	2013	2012
Indian taxes	832	402
Foreign taxes	394	380
	1226	**783**

Minimum Alternate Tax (MAT) became applicable on Software Technology Parks of India (STPI) units effective from 1st April 2007 and on Special Economic Zone (SEZ) units from 1st April 2011. The Company reviewed its projected profit and loss, current tax and MAT liability for subsequent years and concluded that it is more likely than not that the Company will not be able to utilize the MAT credit of ₹ 70 crores relating to the tax year 2007-08 for which the last year of utilization is 2017-18. Accordingly, Minimum Alternate Tax (MAT) credit of ₹ 70 crores was written off in the consolidated statement of profit and loss account during the year.

FINANCIAL POSITION

Share capital:-

Authorized Share Capital of ₹ 150 crores consists of 750,000,000 equity shares of ₹ 2 each of which ₹ 139.4 crores is paid up as at the period end. During the year, employees exercised 706,352, 1,253,676 and 1,616,228 equity shares under the employee's stock options plans 1999, 2000 & 2004 respectively and 10,125 equity shares were issued to minority shareholders of a direct subsidiary on demerger of the IT enabled services division of HCL Comnet System and Services Limited and the merger of that division with the Company consequent upon approval of the scheme of arrangement by the High Court of Delhi (refer note 3.36 of consolidated financial statements for more details). Accordingly issued, subscribed and paid capital increased by 3,586,381 equity shares and share capital increased by ₹ 0.71 crores during the year.

Borrowings:-

The Company has outstanding borrowings of ₹ 1,044 crores as of 30 June 2013 and of ₹ 2,179 crores as of 30 June 2012. During the year the Company has repaid non convertible debentures of ₹ 330 crores, secured long term outstanding foreign currency loan of ₹ 560 crores (USD Equivalent 101 mn) and short term loan of ₹ 396 crores (USD equivalent 75 mn).

Fixed Assets:-

The Group has made additions of ₹ 906 crores during 2013 in the gross block of fixed assets which comprises computers, software, other equipments and investment in facilities. Gross block of fixed assets as at the end of fiscal 2013 stood at ₹ 10,195 crores and capital work in progress stood at ₹ 494 crores.

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. 25,782 seats have already become operational at these campuses and 30,053 seats are under development at these campuses. All these campuses excluding Manesar are approved SEZ locations.

Treasury Investments:-

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

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

(₹ in Crores)

Particulars	2013	2012
Debt Mutual Funds	583	546
Bonds	94	95
Fixed Deposits with Banks	2,856	1,401
Inter corporate deposits with HDFC Limited	742	100
Total	**4,275**	**2,142**

Current Liabilities:

Current liabilities excluding short term borrowing has increased by ₹ 1,239 crores (₹ 6,104 crores in fiscal 2012 to ₹ 7,343 crores in fiscal 2013), the increase is mainly on account of:

a) Increase in unrealized loss on forward covers by ₹ 222 crores in respect of forward covers and options taken to hedge the foreign exchange risks related to the forecast revenues, mainly on account of strengthening of the USD against the INR.

b) During the year, the Group has negotiated extended credit terms with certain vendors at interest rates ranging from 1.0% to 10.0% for the extended period.

Current Assets:

Current assets excluding treasury investments and cash and bank balances increased by ₹ 1,136 crores (₹ 6,551 crores in fiscal 2012 to ₹ 7,687 crores in fiscal 2013), the increases is mainly on account of increases in trade receivables by ₹ 621 crores and unbilled receivables by ₹ 198 crores.

CASH FLOWS

Summary of cash flow statement is given below :

(₹ in Crores)

	2013	2012
Cash and cash equivalents at the beginning of the year	677	524
Net cash generated from operating activities	4,492	2,553
Net cash flows used in investing activities	(2,354)	(1,026)
Net cash flows used in financing activities	(2,086)	(1,239)
Effect of exchange differences on cash and cash equivalents held in foreign currency	(8)	(135)
Cash and cash equivalents at the end of the period	721	677

Cash flow from operations (₹ in Crores)

	2013	2012
Operating profit before working capital changes	5,905	4,150
Effect of working capital changes	(149)	(831)
Cash generated from operations	**5,756**	**3,319**
Tax payments made	(1,264)	(766)
Net cash generated from operating activities	**4,492**	**2,553**

Backed by higher profitability and better working capital management, cash flow from operating activities increased by 75.9% from ₹ 2,553 crores in fiscal 2012 to ₹ 4,492 crores in fiscal 2013.

Cash flow from investing activities (₹ in Crores)

	2013	2012
Purchase of fixed assets	(617)	(906)
Sale / (purchase of investments)	(662)	6
Payment for deferred consideration on business acquisition	-	(101)
Proceeds from sale of stake in Joint Venture	66	-
Proceeds from sale of business	197	-
Redemption / maturity of bank deposits (net) having maturity over three months	(1,484)	(182)
Interest and dividend income	199	198
Taxes paid	(53)	(42)
Net cash used in investing activities	**(2,354)**	**(1,026)**

In fiscal 2013 the Group used ₹ 2,354 crores from investing activities (₹ 1026 crores in fiscal 2012). The significant items of investing activities are:-

- Fixed deposits with banks (net) having maturities greater than 3 months of ₹ 1,484 crores have been invested in fiscal 2013 (₹ 182 crores invested in fiscal 2012).
- Interest on deposits and dividend on investment in mutual fund received in fiscal 2013 of ₹ 199 crores (₹ 198 crores in fiscal 2012).
- During the year, 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 ₹ 197 crores and recognized a net loss of ₹ 13 crores in operating and other expenses.
- During the year, the Company has sold its 49% stake in its joint venture "NEC HCL System Technologies Limited" at gross consideration of ₹ 66 crores and accordingly the Group has recognised a gain of ₹ 27 crores in its consolidated statement of profit and loss under Other Income during the year ended 30 June 2013 .

Cash flow from financing activities (₹ in Crores)

	2013	2012
Proceeds from issue of share capital	34	39
Repayment of debentures	(330)	(170)
Dividend paid (including taxes)	(808)	(803)
Repayment of borrowings (net)	(898)	(279)
Interest paid	(75)	(114)
Principal payment for finance lease obligations	(9)	(89)
Net cash used in financing activities	**(2,086)**	**(1,239)**

In fiscal 2013 the Group used ₹ 2,086 crores on financing activities (₹ 1,239 crores in fiscal 2012). The significant items of investing activities are:-

- Payment of dividends including taxes ₹ 808 crores in fiscal 2013 (₹ 803 crores in fiscal 2012).
- Redemption of debentures of ₹ 330 crores in fiscal 2013 (₹ 170 crores in fiscal 2012).
- Repayment of borrowings (net) of ₹ 898 crores in fiscal 2013 (₹ 279 crores in fiscal 2012).

Standalone Results of HCL Technologies Limited:

The Consolidated Financial Statements brings 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 2013.

Key Highlights:

In fiscal 2013, the Company achieved revenues of ₹ 12,518 crores (₹ 8,907 crores in fiscal 2012), registering a growth of 40.5%.

The net profit before tax aggregated ₹ 4,451 crores in fiscal 2013 (₹ 2,361 crores in fiscal 2012) registering growth of 88.5%.

The net profit after tax for fiscal 2013 aggregated ₹ 3,705 crores (₹ 1,950 crores in fiscal 2012) registering a growth of 89.9%.

RESULTS OF OPERATIONS (STANDALONE)

(₹ in Crores)

Particulars	Year Ended June 30				Growth
	2013	%	2012	%	%
Revenue from operations	12,518	100.0	8,907	100.0	40.5
Total Revenues	**12,518**	100.0	**8,907**	**100.0**	40.5
Cost of materials	259	2.1	206	2.3	25.7
Employee benefit expenses	4,629	37.0	3,923	44.0	18.0
Operating and other expenses	3,039	24.3	2,268	25.5	34.0
Depreciation and amortisation expense	442	3.4	353	4.0	25.2
Total Expenses	**8,369**	66.8	**6,750**	**75.8**	24.0
Profit before finance cost, other income & tax	**4,149**	33.2	**2,157**	**24.2**	92.3
Finance costs	76	0.6	97	1.1	(21.4)
Other income	378	3.0	301	3.4	25.8
Profit before tax	**4,451**	35.6	**2,361**	**26.5**	88.5
Provision for tax	840	6.7	411	4.6	104.7
Profit for the year before impact of scheme of arrangement relating to earlier period	**3,611**	28.9	**1,950**	**21.9**	85.1
Impact of scheme of arrangement relating to earlier period	94	0.7	-	-	-
Profit after tax	**3,705**	29.6	**1,950**	**21.9**	89.9

During the year, consequent upon approval of the scheme of arrangement by the High Court of Delhi, the IT enabled services division of HCL Comnet System and Services Limited, a subsidiary, has been merged with that of the Company and for details, please refer to note 2.36 of standalone accounts of HCL Technologies Limited.

FISCAL 2013 COMPARED TO FISCAL 2012

Revenues:-

Revenues during fiscal 2013 have grown by 40.5 % compared to fiscal 2012.

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

Segment wise details are given below:

(₹ in Crores)

Particulars	Year Ended June 30				Growth
	2013	%	2012	%	%
Software Services	8,269	66.1	6,793	76.3	21.7
Infrastructure Services	3,549	28.3	1,538	17.2	130.7
Business Process Outsourcing Services	700	5.6	576	6.5	21.6
Total Revenue	**12,518**		**8,907**		**40.5**

Employee benefit expenses:-

(₹ in Crores)

Particulars	Year Ended June 30			
	2013	%	2012	%
Salaries, wages and bonus	4,407	35.3	3,631	40.8
Contribution to provident fund and other funds	166	1.3	126	1.4
Staff welfare expenses	41	0.3	31	0.3
Employee stock compensation expense	15	0.1	135	1.5
Total	**4,629**	**37.0**	**3,923**	**44.0**

Employee benefit expenses have reduced from 44.0% of revenue in fiscal 2012 to 37.0% in fiscal 2013 driven by improved utilization of billable manpower in software division and lower stock compensation expenses.

In terms of absolute amounts, employee benefit expenses have increased to ₹ 4,650 crores in 2013 from ₹ 3,923 crores in 2012, an increase of 18.0%. The increase is primarily on account of:-

a) Increase in number of employees during the year from total of 62,246 at the end of fiscal 2012 to 65,725 at the end of fiscal 2013 (including 3,121 employees on accounts of Demerger);

b) Increase in average cost per employee. And;

c) Includes cost of ₹ 223 crores relating to the demerged undertaking.

Operating and other expenses:-

(₹ in Crores)

Particulars	Year Ended June 30			
	2013	%	2012	%
Rent	205	1.6	194	2.2
Power & fuel	201	1.6	154	1.7
Travel and conveyance	619	4.9	505	5.7
Communication costs	109	0.9	77	0.9
Recruitment training & development	56	0.4	52	0.6
Outsourcing cost	1,022	8.2	676	7.6
Others	827	6.7	610	6.8
Total	**3,039**	**24.3**	**2,268**	**25.5**

Operating and other expense as a percentage of revenue have reduced from 25.5% in fiscal 2012 to 24.3 % in fiscal 2013, improving by 120 bps.

In terms of absolute amounts, Operating and other expenses have increased to ₹ 3,039 crores in 2013 from ₹ 2,268 crores in 2012, an increase of 34.0%. Fiscal 2013 Operating and other expenses include ₹ 248 crores relating to the demerged undertaking.

Profit before Interest, Other Income & Tax

The Company's operating profit has increased to ₹ 4,149 crores in fiscal 2013 from ₹ 2,157 crores in 2012, an increase of 92.3%. Fiscal 2013 includes operating profit of ₹ 255 crores relating to the demerged undertaking.

Other Income

Other income comprises interest received on deposits with banks, dividend from mutual funds and gain due to exchange fluctuations.

The details of other income are as follows:-

(₹ in Crores)

Particulars	Year ended June 30	
	2013	2012
Interest Income	181	88
Dividend from investments	21	27
Profit on sale of current investments	16	-
Profit on sale of long term investment in Joint venture	56	-
Exchange differences	60	156
Others	45	29
Total	**379**	**301**

Interest income increased from ₹ 88 crores in fiscal 2012 to ₹ 181 crores in fiscal 2013 due to increase in the pool of treasury investments resulting from incremental cash flow.

The Company derives almost its 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 realized an exchange gain of ₹ 60 crores compared to a gain of ₹ 156 crores in the previous fiscal year. These exchange gains are mainly on account of mark to market of forward covers and restatement of foreign currency assets and liabilities.

The Company also 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 has been reported under revenues. Changes in the fair value of derivatives (net of tax) that are designated and effective as hedges of future cash flows as on the balance sheet date are recognized directly in the hedging reserve account under shareholders' funds. The total unrealized exchange loss (net of tax) recognized in the hedging reserve for fiscal 2013 is ₹ 489 crores and for fiscal 2012 is ₹ 386 crores.

During the year, the Company has sold its 49% stake in joint venture "NEC HCL System Technologies Limited" at a gross consideration of ₹ 66 crores and accordingly has recognized a gain of ₹ 56 crores in its statement of profit and loss under Other Income during the year ended 30 June 2013.

Taxation:-

The net tax expense for 2013 was ₹ 840 crores compared to ₹ 411 crores in 2012. Fiscal 2013 includes tax expense of ₹ 107 crores relating to the demerged undertaking.

FINANCIAL POSITION

Borrowings:-

Company has outstanding borrowings of ₹ 627 crores as of 30 June 2013 primarily consisting of the following:-

- Secured redeemable non convertible debentures of ₹ 10 lacs each issued in previous years for ₹ 500 Crores redeemable in trenches of 3 & 5 years with an interest cost of 8.8%. During the year the Company has repaid debentures of ₹ 330 crores.

Fixed Assets:-

The Company has made additions of ₹ 745 crores during 2013 in the gross block of fixed assets which comprises computers, software, other equipments and investment in facilities. Gross block of fixed assets as at the end of fiscal 2013 stood at ₹ 4,146 crores and capital work in progress stood at ₹ 488 crores.

Treasury Investments:-

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

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

(₹ in Crores)

Particulars	2013	2012
Debt Mutual Funds	402	364
Bonds	94	95
Fixed Deposits with Banks	2,653	1,017
Inter corporate deposits with HDFC Ltd.	681	100
Total	**3,830**	**1,576**

CASH FLOWS

Cash Flows from Operating Activities:-

Cash generated from operations provides the major sources of funds for the growth of the business. Net cash provided by operating activities was ₹ 4,170 crores and ₹ 2,160 crores in fiscal 2013 and 2012 respectively.

Cash Flows from Investing Activities:-

In fiscal 2013, an amount of ₹ 481 crores was invested in fixed assets.

Cash Flows from Financing Activities:-

Cash flow from financing activities in the year showed an outflow of ₹ 1175 crores against an outflow of ₹ 837 crores in 2012. These amounts include payments of final and interim dividends (including corporate dividend tax) amounting to ₹ 808 crores and repayment of debentures of ₹ 330 crores during the year (previous year ₹ 170 crores).

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting this Twenty First Annual Report together with the Audited Accounts for the year ended June 30, 2013.

FINANCIAL RESULTS

The highlights of the financial results of your Company prepared for the financial year 2012-13 are tabulated below:

(₹ in crores)

	Consolidated		Standalone	
	2012-13	**2011-12**	**2012-13**	**2011-12**
Total Income	**25,932.17**	**21,037.05**	**12,896.66**	**9,208.08**
Total Expenditure	**20,662.28**	**17,827.25**	**8,445.46**	**6,847.34**
Profit before tax	5,269.89	3,209.80	4,451.20	2,360.74
Provision for tax	(1,225.31)	(782.72)	(840.02)	(410.32)
Share of minority interest	(4.28)	(4.31)	-	-
Share of loss of associates	(0.21)	(0.07)	-	-
Profit after tax	**4,040.09**	**2,422.70**	**3,611.18**	**1,950.42**
Impact of scheme of amalgamation relating to earlier period	-	-	93.54	-
Profit for the year	4,040.09	2,422.70	3,704.72	1,950.42
Balance in Profit and Loss Account brought forward	5,390.28	4,167.94	3,185.77	2,435.71
Transfer from debenture redemption reserve due to redemption of debenture	330.00	170.00	330.00	170.00
Surplus acquired under the scheme of amalgamation			831.81	-
Amount available for appropriation	**9,760.37**	**6,760.64**	**8,052.30**	**4,556.13**
Appropriations				
Proposed final dividend [including ₹0.30 crores (previous year ₹0.29 crores) paid for previous year]	418.42	277.60	418.42	277.60
Interim dividend	416.94	552.98	416.94	552.98
Corporate dividend tax [including ₹0.05 crores (previous year ₹0.05 crores) paid for previous year]	139.82	134.74	139.82	134.74
Transfer to general reserve	380.00	195.04	380.00	195.04
Transfer to debenture redemption reserve	100.00	210.00	100.00	210.00
Balance carried forward to the balance sheet	**8,305.19**	**5,390.28**	**6,597.12**	**3,185.77**

TRANSFER TO RESERVES

For the year ended June 30, 2013, on a standalone basis, your Company has transferred ₹380 crores to the General Reserve Account. An amount of ₹100 crores has been transferred to the Debenture Redemption Reserve Account and ₹330 crores has been transferred back to the Profit & Loss Account from the Debenture Redemption Reserve Account on account of redemption of debentures. As on June 30, 2013, the balance available in the Debenture Redemption Reserve Account is ₹400 crores. An amount of ₹6,597.12 crores is proposed to be carried forward in the Profit & Loss Account.

OVERVIEW

During the financial year 2012-13, on a consolidated basis, your Company's revenues stood at ₹25,581.06 crores registering a growth of 22.80% over the previous year.

A detailed analysis on the Company's performance is included in the Management's Discussion and Analysis Report titled as "Management's Discussion and Analysis", which forms part of this Annual Report.

DIVIDENDS

Your Directors are pleased to recommend a final dividend of ₹6/-per equity share of par value of ₹2/- each for the financial year ended June 30, 2013, subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company. During the year under review, your directors had declared and paid three interim dividends as per the details given hereunder:

S. No.	Interim dividend paid during the year ended June 30, 2013	Rate of dividend per share (face value of ₹ 2/- each)	Amount of dividend paid	Dividend Distribution tax paid by the Company	Total Outflow
				(₹/crores)	
1	1st Interim Dividend	₹ 2/-	138.81	22.52	161.33
2	2nd Interim Dividend	₹ 2/-	138.91	22.54	161.46
3	3rd Interim Dividend	₹ 2/-	139.22	23.66	162.88

The total amount of dividends (including interim dividends paid) for the year ended June 30, 2013 shall be ₹835.36 crores. Dividend distribution tax paid / payable by the Company for the year would amount to ₹139.82 crores.

SCHEME OF AMALGAMATION

During the year under review, the Hon'ble High Court of Delhi vide its order dated April 12, 2013 has approved the Scheme of Arrangement between HCL Technologies Limited, HCL Comnet Systems & Services Limited and their respective shareholders and creditors under section 391 to 394 of the Companies Act, 1956 for amalgamation of the demerged undertaking of HCL Comnet Systems & Services Limited, a subsidiary of the Company into the Company. The said Order became effective w.e.f. May 17, 2013 being the date of filing of the said order with the Office of Registrar of Companies, NCT of Delhi & Haryana.

SUBSIDIARIES

HCL Technologies Chile SpA

In view of the new business prospects, the Company during the year has incorporated a step down subsidiary in Chile *viz.* HCL Technologies Chile SpA.

SUBSIDIARIES - FINANCIALS

The Company has 57 subsidiaries as on June 30, 2013. Pursuant to the circular 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, 2013.

The 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, 2013 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 requests 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, 2013, the Company allotted 35,76,256 equity shares of ₹2/- each fully paid up under its Employees Stock Option Plans. This constitutes 0.51% of the total paid up share capital of the Company as on June 30, 2013.

Issue of shares under the Scheme of Arrangement

During the year ended June 30, 2013, the Company allotted 10,125 equity shares of ₹2/- each fully paid up under the Scheme of Arrangement between HCL Technologies Limited, HCL Comnet Systems & Services Limited and their respective shareholders and creditors under section 391 to 394 of the Companies Act, 1956. This constitutes 0.001% of the total paid up share capital of the Company as on June 30, 2013.

Issued and Paid-up Share Capital

As on June 30, 2013, the issued and paid-up share capital of the Company was ₹139,37,39,714/- (previous year: ₹138,65,66,952/-) comprising 69,68,69,857 (previous year: 69,32,83,476) equity shares of ₹2/- each fully paid-up.

SHARES UNDER COMPULSORY DEMATERIALIZATION

The equity shares of your Company are included in the list of specified scrips where delivery of shares in dematerialized (demat) form is compulsorily effective from July 24, 2000, if the same are traded on a stock exchange, which is linked to a depository. As of June 30, 2013, 99.93% shares were held in demat form.

DEBENTURES

During the financial year ended June 30, 2013, the Company has redeemed the debentures worth ₹330 crores which was issued in the year 2010. 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% p.a.	August 25, 2011	August 25, 2011
August 25, 2009	330	8.20% p.a.	August 25, 2012	August 25, 2012
September 10, 2009	500	8.80% p.a.	September 10, 2014	-

A debenture trust deed in favour 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.

INTERNAL CONTROL SYSTEM

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

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

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

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 Board for its approval.

CORPORATE GOVERNANCE

The report of the Board of Directors of the Company on Corporate Governance is given as a separate section titled 'Corporate Governance Report 2012-13', which forms part of this Annual Report.

Certificate of the Statutory Auditors of the Company regarding compliance with the Corporate Governance requirements as stipulated in clause 49 of the Listing Agreement with the stock exchanges is annexed with the aforesaid Corporate Governance Report.

MANAGEMENT'S DISCUSSION & ANALYSIS

The Management's Discussion and Analysis is given separately and forms part of this Annual 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 its sustainability report under GRI 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 2012-13, as the Company has prepared its sustainability report based on the GRI framework and the principals 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/sustainability-desk.

INSIDER TRADING REGULATIONS

Based on the requirements under SEBI (Prohibition of Insider Trading) Regulations, 1992, 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

In accordance with the provision of the Companies Act, 1956 and Articles of Association of the Company, Mr. Vineet Nayar, Mr. Amal Ganguli and Mr. Subroto Bhattacharya shall retire by rotation as Directors of the Company at the ensuing Annual General Meeting and being eligible, have offered themselves for the reappointment as the Directors of the Company.

Mr. Subramanian Madhavan and Mr. Keki Mistry were appointed as Additional Directors of the Company w.e.f. January 15, 2013 and April 15, 2013 respectively. Pursuant to the provisions of section 260 of the Companies Act, 1956, Mr. Subramanian Madhavan and Mr. Keki Mistry hold the office till the ensuing Annual General Meeting and are eligible for appointment as the Directors of the Company.

AUDITORS

The Statutory Auditors, M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, retire at the conclusion of the ensuing Annual General Meeting and they have confirmed their eligibility and willingness to be re-appointed. The Audit Committee and the Board of Directors recommend the reappointment of M/s. S.R. Batliboi & Co. LLP, Chartered Accountants as Statutory Auditors for the financial year 2013-14 for shareholders' approval.

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 the 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:

- The Company has been conferred the prestigious '*ICSI National Award 2012*' for Excellence in Corporate Governance from Institute of Company Secretaries of India. This award is an acclaimed recognition for corporate practicing best corporate governance norms in both letter and spirit.

- The Company has won"*Best in Show Award*" for online video (branding) for its 'Employees First Effect' video and '*Silver Award for Best Website Features*' for its corporate website www.hcltech.com at the W^3 award. The W^3 Awards honor outstanding websites, web advertising, web videos and mobile applications.
- The Company has won the '*NASSCOM HR Award*' in the '*Glocalisers*'category for "successfully driving an integrated global employer brand while balancing the need for localization."
- The Company has been conferred with "*Asian HR Leadership Award 2012*" for '*Innovative HR Practices*'. The Company won this citation for its Talent Management application 'Pulse - The Organization Health Index'. Pulse is a one stop solution to gauge and track the health index of HCL employees based on 27 behavioral traits and 5 broad parameters such as Organization Disconnect, Compensation related, Personal Problems, Career related and Disciplinary issue.
- The Company has won the '*2012 Optimas Award for Global Outlook*' in recognition of its '*Working Across Borders*', program aimed at incubating an inclusive work-culture.
- The Company has been named as a '*Market Leader*' in the report titled "*Achieving Market Leadership in Engineering and R&D Services*" published in Oct 2012 by Frost & Sullivan. The Company emerged as the strongest India-centric Engineering Services Outsourcing Provider in this report that was attributed to its noteworthy market performance.
- The Company has won the Prestigious '*Asia Pacific Enterprise Leadership Award ("APELA") 2013*' for Corporate Social Responsibility. The APELA award recognizes and honors the achievements of companies in the areas of sustainable development, corporate responsibility, and/or corporate social responsibility.
- The Company has been conferred the '*United Nations-Women Empowerment (UN-WEP) Leadership Award 2013*', for exceptional championship of gender equality and support for Women's Empowerment Principles. The Company is the only India headquartered Company to make it to the Honor Roll for implementing innovative gender equality initiatives within a Company and Communities.

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 on 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 2012-13 which is being hosted on the website of the Company.

ORGANIZATION 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

The Company focuses constantly on reassessing, refreshing and reinventing organizational and individual capabilities so that it continues to offer a distinctive experience to its employees as well as to its customers. The Company is on an accelerated journey to enhance the employment experience of its people and create new benchmarks. The commitment to this will bring new opportunities and meaning to all its employees. The beliefs, behaviors and programs reinforce a culture with an entrepreneurial history - and encourage and energize each of its employees to be recognized as an 'ideapreneur' - making the Company world's largest 'Ideapreneurship'!

In the same light Program **FIRST** (Future-ready Initiatives for Results and Smart Transformation) has been initiated. Program First introduces 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. The objective is to make employees future-ready by enhancing the Company's employment experience so as to enable individual and organizational growth.

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. The outcome of each pillar will act as decision support tool for different stakeholders involved in different phases of employee's lifecycle. It is a one stop solution to launch new surveys, monitor existing surveys, analyze data for individual surveys, and process data across multiple surveys that provides action oriented approach to deliver on the outcomes of the survey.

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. 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.

LEARNING AND DEVELOPMENT

The Company's Learning & Development ("L&D") Ecosystem supports holistic employee development through a combination of Technical, Behavioral and specialized Domain training. The Company's learning interventions are fully woven around job roles and competencies required to perform these roles successfully. Further, the programs are designed on blended delivery mode, i.e., classroom, webinars, e-learning and action projects, to allow comprehensive learning opportunity and the ability to reach a global workforce.

Behavioral learning is delivered through 3 key verticals, namely, Professional Excellence, Leadership Excellence and Sales Excellence. There are over 20+ learning programs available across these verticals catering to a wide range of employees- from fresher right up to senior leadership. These are designed to impact key business outcomes and are developed with content in partnership with several 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 to sharpen the desired competencies in their current and future roles. With reporting managers it encourages mentoring and their development in learning plays a key role in shaping the Company's leadership pipeline.

L&D is also deeply engaged in a unique 'customer connect' program which attempts to bring together senior leadership of our key clients and the Company delivery teams for greater cultural alignment, thereby resulting in better working relationships and stronger bonding, which has been highly applauded by many of our 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, are set out in the 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 inserted by the Companies (Amendment) Act, 2000, 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 the 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

Noida (U.P.), India
July 31, 2013

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

(i) Green IT

Continuing its relatively new journey on GREEN IT, as a step towards environment conservation, the Company has managed to bring about a dramatic shift in the ways of working of the Company's community.

From the times of decentralized infrastructure and management with low mobility options, manually creating IDs and almost invisible penetration into virtual space, your Company has managed to create more automated ways of working and energy efficient products over time, apart from initiating consolidation of services and promoting e-waste disposal.

The current financial year has seen significant enhancements and laurels for the efforts towards GREENER pastures. With the Global IT team launching the Company's first Private Cloud service, to adopting Exchange 2010 and System Center Configuration Manager (SCCM), to enhanced mobility in the form of Live Meeting, mp-India, Lync and RMS, to initiating VDI deployment, the efforts have been acknowledged across the Industry. An insight into the few industry wise acknowledgements that were given to the Company for its initiatives are as under:

Cloud Leadership Award - INFLEXION 2013

- GIT CLOUD Team won 1st Prize and Cash prize of ₹ 1 Lakh as "Cloud Leadership Award" by 9.9 Media at INFLEXION - 2013 held at India Habitat Centre, New Delhi, competing across 23 Cloud initiatives from across India.

Cisco Rainmaker Award

- GIT Cloud awarded by Cisco, for excellence in adopting next generation DC and Cloud technologies.

EMC World Forum

- GIT Cloud awarded as Best Project by IDG at EMC World Forum held at Mumbai.

CISCO CLOUD Connect - MPLS

- MPLS awarded as BEST Project to adopt new technology.

CISCO CLOUD Connect - Telepresence

- Telepresence awarded as the BEST End User initiative to support cost reduction initiatives in the Company.

(ii) Building Infrastructure:

Building use is responsible for half the consumed energy and half the greenhouse gas production in the world every year. The Company ensures that energy saving paraphernalia/features are incorporated in the design stage itself. By being energy conscious, the production of countless carbon dioxide, nitrogen oxide and sulphur dioxide greenhouse gas emissions is prevented. Being energy conscious starts with the right fit-up decisions:

- Having reliable controls meter installed and connected to have access to the information about water, heating, gas and electricity use.
- Designing and selecting the HVAC system and lighting equipment to maximize energy performance.
- Installing energy efficient light fixtures (e.g. LEDs, T-5 ballasts, and compact fluorescents).
- Installing day lighting sensors that can dim and/or turn off lighting if sufficient daylight is present. Use occupancy sensors to control lighting in areas where occupancy is more intermittent (like washrooms, storage spaces, janitor rooms, etc.) to ensure that lights are not left on unnecessarily.
- Designing for individual control of lighting, heating, cooling and ventilation to provide for individual comfort, productivity and wellbeing.
- Purchasing energy efficient appliances (e.g. Energy Star photocopiers, printers, fax machines, computers, etc.) which also have sleep mode embedded into it.
- Choosing LCD computer screens which have dual energy savings - they use 1/3 less energy in operations than CRT monitors and produce less heat, resulting in reduced cooling needs.
- Making computer settings so that when they are inactive for a period of time they go to 'sleep' or 'turn off'mode.

(iii) 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 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.

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

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

Your Company is one of the few Indian companies with significant focus on engineering services. The Engineering, Research and Development Services group offers end-to-end engineering services and solutions in hardware, embedded, mechanical and software product engineering to industry leaders across aerospace and defence, automotive, consumer electronics, industrial manufacturing, medical devices, networking and telecom, office automation, semiconductor, servers, storage and software products.

Your Company understands the importance of R&D in augmenting its customers businesses and is committed to providing these world-class services to them. Over a decade of operating in complex multi-vendor environments and customer value chains, we have the ability to seamlessly integrate into their existing R&D ecosystem, working with other innovation partners, captive centers, universities, industry bodies and manufacturing partners. The Company has started a delivery unit with a dedicated team to focus on verification and validation requirements of OEMs and ISVs.

Your Company foresees a shift towards clients preferring outsourcing companies to share their long-term vision, risks, and rewards in developing product-based ecosystems that impact client-experience. Towards this, your Company is investing heavily in developing its own IPs and solutions to help customers' impact the overall product ecosystem faster and better. This include service innovation to accelerate the product development process for the customers, provide a better value for their engineering investments and support their technology leadership through niche services. Few key solutions developed by this team include a M2M stack, product intelligence and analytics, test automation platforms and acceleration framework for mobile development & testing.

(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 our customers include quicker time to market, reduced cost, increased quality and increased efficiency of customer business processes. The 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 will continue to focus on R&D activities and will make investments therein from time to time.

(iv) Expenditure on R&D for the years ended June 30, 2013 and 2012 are as follows:

(₹ in crores)

Particulars	June 30, 2013	June 30, 2012
Revenue expenditure	157.92	167.81
Capital expenditure	-	-
Total R&D expenditure	**157.92**	**167.81**
R&D expenditure as a percentage of revenues	**1.26%**	**1.88%**

c) Technology absorption, adaptation and innovation

Your Company's core businesses demand absorption of emerging technologies to stay at the cutting edge of technology. New methods for absorbing, adapting and effectively deploying new technologies have been developed. Your Company has made investments in applications and other software tools required for engineering design work in all its software development centres.

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 a subsidiary in Chile 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, 2013	June 30, 2012
Foreign exchange earnings	**11,381.19**	**8,384.17**
Foreign exchange outgo		
- Expenditure in foreign currency	1,131.64	884.04
- CIF value of imports	133.95	200.28
- Dividend remitted in foreign currency	120.06	120.66
	1,385.65	**1,204.98**

For and on behalf of the Board of Directors

Noida (U.P.), India
July 31, 2013

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 as inserted by the Companies (Amendment) Act, 2000

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, 2013 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

Noida (U.P.), India
July 31, 2013

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

Each option granted under the 1999 Plan, 2000 Plan and 2004 Plan, entitles the holder to four equity shares of the Company 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:

S. No.	Description	1999 Plan	2000 Plan	2004 Plan
1	Total number of options granted (gross)	26,600,874	17,747,401	8,416,132
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	4,474,705
4	Number of options exercised	13,671,912	7,001,679	4,105,543
5	Total number of shares arising as a result of exercise of options	**54,687,648**	**28,006,716**	**16,422,172**
6	Numbers of options lapsed	12,604,540	10,162,467	2,072,388
7	Variation in terms of options	None	None	None
8	Money realized by exercise of options (₹ crores)	497.90	404.55	11.35
9	**Total number of options in force as on June 30, 2013**	**324,422**	**583,255**	**2,238,201**
10	Grant to Senior Management			
	Number of Options	1,967,175	254,904	2,979,600
	Vesting Period	110 Months	104 Months	96 Months

The diluted earnings per share were ₹ 52.45 and ₹ 27.72 for the fiscal years ended June 30, 2013 and June 2012 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.

As on June 30, 2013, an amount of ₹ 6.52 crores is outstanding as loan from the Company and Nil shares of the Company are held by the Trust. The Company has made provision of ₹ 6.52 crores against the same.

ANNEXURE 3 TO THE DIRECTORS' REPORT (Contd.)

Details of Stock Option Plans for the year ended June 30, 2013

Particulars	1999 Plan	2000 Plan	2004 Plan
Total number of options outstanding as on July 01, 2012	**536,630**	**1,024,030**	**3,605,488**
Number of options granted during the year	-	-	21,220
Pricing formula	Market price / internal valuation	Market price	Market price / price determined by Compensation Committee
Number of options vested during the year	-	-	256,600
Number of options exercised during the year	176,588	313,419	404,057
Total number of shares arising as a result of exercise of options during the year	706,352	1,253,676	1,616,228
Number of options lapsed during the year	35,620	127,356	984,450
Variation in terms of options	None	None	None
Money realised by exercise of options during the year (₹ crores) (includes issued through Trust)	11.28	19.37	0.71
Total number of options in force as on June 30, 2013	**324,422**	**583,255**	**2,238,201**
Employees granted options equal to 5% or more of the total number of options granted during the year	None	None	None
Employees granted options equal to or exceeding 1% of the issued capital during the year	None	None	None
Fair value compensation cost for options granted (₹ crores)	N.A.	N.A.	4.05
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.	1,914.35
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	7.78%	7.78%	7.78%
Expected life	upto 50 months	upto 50 months	upto 50 months
Expected Volatility	36.88%	36.88%	36.88%
Expected Dividend	2.46%	2.46%	2.46%
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, 2013 ESOP 1999 Plan
Number of options granted pre IPO	14,223,832
Pricing formula	Internal valuation
Number of options vested	11,648,957
Number of options exercised	10,234,702
Total number of shares arising as a result of exercise of options	40,938,808
Number of options lapsed	3,989,130
Variation in terms of options	None
Money realised by exercise of options (₹ crores)	259.41
Total number of options in force as on June 30, 2013	-
Fair value compensation cost for options granted (₹ crores)	43.96
Weighted average exercise price of options granted (₹)	255.00
Weighted average fair value of options granted (₹)	36.65
Method used to estimate the fair values of options	Black-Scholes Method
Significant assumptions	
Risk free interest rate	10.00%
Expected life	12 to 110 months
Expected volatility	-
Expected dividends	0.10%

ANNEXURE 3 TO THE DIRECTORS' REPORT (Contd.)

Employee Compensation Cost based on fair value of the options

		Year ended 30 June, 2013
		(₹ crores)
Net income, as reported		
Add: Stock-based employee compensation expense included in reported net income		14.97
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards		16.79
Proforma net income		**(1.82)**
Earnings per share		₹
As reported	- Basic	53.32
	- Diluted	52.45
Adjusted proforma	- Basic	53.30
	- Diluted	52.43
Method and significant assumption used during the year estimate the fair values of options		Black-Schole Method
Significant assumptions		
Dividend yield %		2.46%
Expected life		upto 50 months
Risk free interest rates		7.78%
Volatility		36.88%

Details of options granted to Senior Managerial Personnel of the Company during the year ended June 30, 2013	
Name of Employee	**No. of Options**
Prithvi Harkirat Singh	10,000
	10,000

Details of options granted to employees amounting to 5% or more of the options granted during the year ended June 30, 2013.	None

Details of options granted to employees during the year ended June 30, 2013, amounting to 1% or more of the issued capital of the company at the time of the grant.	None

For and on behalf of the Board of Directors

Noida (U.P.), India
July 31, 2013

SHIV NADAR
Chairman and Chief Strategy Officer

ANNEXURE 4 TO THE DIRECTORS' REPORT

INFORMATION FOR DIRECTOR'S REPORT U/S 217(2A) OF THE COMPANIES ACT, 1956

A. EMPLOYED FOR FULL FINANCIAL YEAR - 2012-13

S. 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	Amit Roy	54	Senior Vice President-Taxation	B.Com, CA	11,026,564	16.07.2007	29	Samsung Electronics Ltd.	VP - Taxation	Sep.06
2	Anil Kumar Chanana	55	Chief Financial Officer	CA	25,631,070	01.10.1998	32	HCL Technologies America Inc.	Executive Vice President	Dec.85
3	Anup Dutta	54	Executive Vice President	BE-Electrical, M.Tech - Electrical	8,199,396	01.07.1996	32	HCL Hewlett Packard Ltd.	Senior Manager	Jul.81
4	Apparao V V	51	Executive Vice President	B.Tech, M.Tech	11,381,162	10.03.2003	29	Ascend Technologies Ltd.	Director/Center Head	Aug.96
5	Dilip Kumar Srivastava	54	Corporate Vice President	MSW (HR & IR)	11,591,254	07.06.2005	32	Vanguard Solutions Ltd.	Vice President - HR	May.05
6	Gade Hanumantha Rao	55	President - ERS	BE - Electronics	10,851,091	01.07.1996	32	HCL Hewlett Packard Ltd.	Senior Manager - R&D	Nov.80
7	Harekrishna Rajagopalachar Sadarahall	44	Vice President	BE - Mechanical	8,856,245	09.01.2012	23	Allegis Services India Pvt. Ltd.	Executive Vice President	Mar.09
8	Kandukuri Venkata Subrahmanyam	45	Senior Vice President	MS - BITS, Pilani	8,596,634	08.04.2011	23	Mphasis	Vice President	Mar.06
9	Kannan Veeraraghavan	55	Chief Quality Officer	B.Com & Certificate courses	6,933,641	01.08.2005	31	KPMG Peat Marwick	Executive Director - Software Process	Jun.95
10	Manoj Kumbhat	46	Senior Vice President & CIO	MBA - Finance	21,786,540	28.03.2012	19	Pepsico	CIO	Mar.06
11	Mukund Garg	43	Vice President	BE/BTech - Electrical	6,375,205	18.02.2008	21	Satyam Computer Ltd.	Associate Vice President	Jun.04
12	Naresh Nagarajan	50	Senior Vice President	BE-Mechanical, MS - Computers	9,061,788	11.04.2011	24	Self Employed	Founder Chief Consultant	Jul.09
13	Naveen Narayanan	41	Global Head - Talent Acquisition	MBA - General Management	11,757,828	14.03.2012	20	Accenture Services Pvt.Ltd.	Sr. Principal Consultant	Apr.06
14	Prahlad Rai Bansal	56	Corporate Vice President	CA	6,166,914	30.08.2000	34	HCL America Inc.	Vice President	Nov.97
15	Prithvi Harkirat Singh	46	Chief Human Resources Officer	MBA	23,662,622	19.04.2012	23	Accenture Services Pvt.Ltd.	Partner - Human Resources	Jan.04
16	Raj Kumar Malik	53	Senior Vice President	B.Tech - Electrical	6,869,474	28.07.1997	31	Commonwealth Bank	Project Manager	May.96
17	Rajesh Gupta	53	Vice President - Taxation	CA	7,408,903	17.03.2010	27	JSL Limited	VP Taxation	May.09
18	Rajiv Mahajan	53	Sr. Vice President & Director-Infrastructure Projects	BE (Hons.) Civil, M.Sc (Hons.) - Economics	12,387,707	22.11.2010	28	Advance India Pvt. Ltd.	President Projects	Jan.10
19	Rajiv Sodhi	54	Sr. Corporate Vice President & Chief Customer Officer	B.Tech, MBA - Marketing Management	11,837,502	24.07.1997	32	Tata Consultancy Services Ltd.	Manager Systems	Aug.81
20	Ramakrishna Venkatraman	61	Sr. Corporate Vice President & Chief Delivery Officer	M.Tech - Electrical Engg.	10,741,184	23.07.2003	39	Eximsoft Technologies Pvt.Ltd.	Managing Director	Apr.97
21	Rangarajan Vijayaraghavan	48	Senior Vice President	MA	9,607,183	22.05.2009	26	Satyam Computer Services Ltd.	Vice President	May.99
22	Sandip Gupta	54	Sr.Corp.Vice President - Business Finance	CA	12,537,742	01.10.2005	31	HCL Comnet Systems & Services Ltd.	Vice President	Oct.98
23	Satish Chandrasekaran	46	Senior Vice President-Head of Retail Delivery	MBA - Business Administration	12,409,416	14.01.2010	25	Target Corp. India Pvt.Ltd.	Vice President	Aug.07
24	Shiv Nadar	67	Chairman & Chief Strategy officer	Electrical Engineer	119,006,898	13.09.1999	44	HCL Infosystems Ltd.	Whole time Director & CEO	Aug.87
25	Sriram Subramanian Vaitheeswarankovil	56	Sr. Corporate Vice President & Chief Customer Officer - Financial Services	MBA - Management	9,536,279	01.10.2001	35	Citicorp Overseas Software Ltd.	Centre Head	Nov.88
26	Subramanian Gopalakrishnan	46	Vice President - Finance	CA	6,566,244	09.12.2010	23	Satyam Computer Services Ltd.	Vice President - Finance	Jun.05
27	Tom Nedumattathil Thomas	49	Senior Vice President	MBA - Marketing Management	6,301,518	01.08.2005	25	HCL Technologies America Inc.	BDM	Apr.99
28	Udayakumar Nalinasekaren	53	Executive Vice President	ME - Computer Science	9,460,283	02.07.1984	28	Hewlett Packard Ltd.	Group Project Manager	Jul.84
29	Varanasi Guru Venkata Subbaraya Sharma	49	Vice President - Internal Audit	ICWA - Auditor	7,002,591	24.01.2011	22	ATC Tires Pvt Ltd.	Vice President - Internal Audit	Jun,10
30	Vineet Nayar	50	Vice Chairman & Joint Managing Director	MBA	82,923,810	01.08.2008	28	HCL Comnet Systems and Services Ltd.	Chief Executive Officer	Jan.95
31	Vijay Anand Guntur	45	Senior Vice President	M.Sc-(Computer Science), MBA	7,730,417	14.07.1994	24	HCL Hewlett Packard Ltd.	Deputy Manager	Jun.89
32	Vineet Vedprakash Sood	46	Senior Vice President - Treasury	ICWA - Finance	7,706,276	25.11.2010	22	Tata Consultancy Services Ltd.	Treasurer	Mar.06

Annexure 4 To The Directors' Report (Contd.)

B. EMPLOYED FOR PART OF THE FINANCIAL YEAR - 2012-13

Sr. 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	Anant Gupta	48	President And Chief Executive Officer	M.Sc (Engineering)	41,456,082	25.07.2012	25	HCL Comnet Systems & Services Ltd.	President	Nov.93
2	Ananth Vaidyanathan	44	Senior Vice President	BE - Electronics	2,163,571	21.05.2007	23	Infosys Technologies Ltd.	Associate Vice President	Jan.92
3	Hitesh Jain	42	Vice President	BE - Electronics	3,647,035	03.12.2009	17	IBM Malaysia	Leader Mbps - Asean	Mar.09
4	Prateek Aggarwal	46	Executive Vice President	MBA(PGDM) - Finance	6,401,179	01.10.2012	22	Hexaware Technologies Ltd.	Chief Financial Officer	Jun.08
5	Rahul Singh	50	President - Business Ser. & Fin.Ser. Sales	MBA - Finance	29,361,910	03.05.2010	27	TCS - Eserve Ltd.	CEO & Managing Director	Apr.08
6	Ramamurthy Vaidyanathan	58	Executive Corporate Vice President & Chief Cost Officer	BE - Metallurgy	8,849,970	01.07.1996	35	HCL Hewlett Packard Ltd.	Dy. General Manager - R&D	Jul.81
7	Sanjeev Nikore	53	Sr. Corporate Vice Presdient & President-Consumer & Manufacturing	MBA	7,592,146	03.09.2012	31	HCL Great Britain Ltd.	Senior Corporate Vice President	Sept.10
8	Vijaya Reddy Mulumudi	50	Vice President	MBA - Finance	3,416,002	02.11.2011	28	SAP India Pvt Ltd.	Head of Delivery	Dec.96

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

Noida (U.P.), India
July 31, 2013

SHIV NADAR
Chairman and Chief Strategy Officer

CORPORATE GOVERNANCE REPORT 2012-13

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 our 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.

The Company has been conferred the prestigious ICSI National Award for Excellence in Corporate Governance for the year 2012. This award is an acclaimed recognition for the Company's proactive and contributive capabilities, internal excellence, innovation and value creation for stakeholders, fundamental qualities of governance ethos, vision and sustainability. The award, instituted by the Institute of Company Secretaries of India (ICSI) is an acclaimed recognition for corporates practicing best corporate governance norms in both letter and spirit that will create and establish an atmosphere of good corporate citizenry.

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 and Independent Non- Executive 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. The Company has adopted the definition of independent director as mentioned under clause 49 of the listing agreement and all the independent directors of the Company have certified their independent status to the Board.

As on June 30, 2013, the Board consisted of eleven members, of which, one is the promoter director who is designated as

Chairman & Chief Strategy Officer of the Company and one is the Executive Director who is designated as the Vice Chairman and Joint Managing Director. The other nine directors are Independent Non-Executive Directors. The Company has appointed one Non- Executive Director in its meeting held on July 29-31, 2013 and with the said appointment, the total number of directors has gone upto twelve. The Non-Executive Directors bring an external and wider perspective in Board deliberations and decisions. The size and composition of the Board conform to the requirements of Clause 49 of the Listing Agreement with the Stock Exchanges.

Composition of the Board and the Directorships held:

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.)	**Chairmanship in committees** (including HCL Technologies Ltd.)#	**No. of shares held (of ₹ 2/- each)**
Mr. Shiv Nadar	Chairman & Chief Strategy Officer	1	26	1	-	184
Ms. Roshni Nadar Malhotra^^	Non Executive Director	1	26	-	-	174
Mr. Vineet Nayar$	Vice-Chairman	1	-	1	-	10,00,000
Mr. Subroto Bhattacharya	Independent Non Executive Director	1	1	1	1	66
Ms. Robin Abrams	Independent Non Executive Director	1	5	1	-	Nil
Mr. Amal Ganguli	Independent Non Executive Director	12	4	6	4	Nil
Mr. R. Srinivasan	Independent Non Executive Director	3	16	2	-	Nil
Mr. Sudhinder Krishan Khanna	Independent Non Executive Director	6	3	1	1	Nil
Mr. Sosale Shankara Sastry	Independent Non Executive Director	1	4	-	-	Nil
Mr. Srikant Madhav Datar	Independent Non Executive Director	1	3	-	-	Nil
Mr. Subramanian Madhavan^	Independent Non Executive Director	1	1	1	-	Nil
Mr. Keki Mistry**	Independent Non Executive Director	15	4	6	4	Nil

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

** represents membership of Audit Committee and Shareholders' Grievance Committee of Indian public limited companies.*

 # represents chairmanship of Audit Committee and Shareholders' Grievance Committee of Indian public limited companies.

^ Appointed as an Additional Director w.e.f. January 15, 2013.

*** Appointed as the Additional Director w.e.f. April 15, 2013.*

^^ Appointed as the Additional Director w.e.f. July 29, 2013.

$ Mr. Vineet Nayar ceased to be the Executive Director of the Company w.e.f. July 31, 2013.

Brief Profile of the Board Members

Shiv Nadar

Mr. Shiv Nadar, aged 68 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. Mr. Nadar was conferred the **Padma Bhushan Award - the third highest civilian honor** conferred by the President of India in January 2008, in recognition of not just his contribution to trade & industry in India but also his deep commitment to public good. 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 fifteen private engineering colleges. 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 31 years is a CEO and Executive Director of the 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.

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 is a MBA from the Kellogg Graduate School of Management with a focus on Social Enterprise and Management & Strategy. At Kellogg, she received the Dean's Distinguished Service Award.

Mr. Vineet Nayar

Mr. Vineet Nayar, aged 51 years, has a Bachelor's degree in Technology and a Masters degree in Business Administration. He played a key role in enabling HCL to enter into the business for providing IT infrastructure and networking services and today HCL is highly placed in Remote Infrastructure Management space. He has emerged as a global thought leader and has been lauded by governments, business publications and influencers worldwide for his visionary strategy, ability to create an entrepreneurial culture, and warm-hearted, straight-talking approach; with his book "***Employees First, Customers Second***" receiving rich praise from influencers like the late C.K. Prahalad, Tom Peters, Gary Hamel, Ram Charan and Victor Fung.

This value driven leadership however has not been restricted to the corporate world, with Vineet establishing a non-profit organization called SAMPARK in 2004. SAMPARK, under its vision of "creating a million smiles" is working with ill equipped schools in India to improve the quality of education through the "Teach the Teacher" program; investing in basic infrastructure and creating science labs in schools. SAMPARK also funds engineering education for students by providing scholarships to meritorious students, thereby increasing the opportunity for young and bright minds to further their education. This commitment has seen Vineet being honored with the "**Beacon of Hope**" award by the 2009 Asha for Education, NYC/NJ Chapter.

Mr. Subroto Bhattacharya

Mr. Subroto Bhattacharya, aged 72 years, is a Chartered Accountant. He spent his early career with DCM Limited where he rose to the position of a Director on its board. In the late eighties, he joined the HCL Group and subsequently joined the Board of the flagship company HCL Limited. He has an experience of over 36 years with specialization in Finance and Management Consultancy.

Ms. Robin Abrams

Ms. Robin Abrams, aged 62 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 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 73 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 Price Waterhouse Coopers, India till his retirement in 2003. Besides his qualification in the area of accounting and auditing, he is alumus of IMI, Geneva. During his career spanning over 41 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. R. Srinivasan

Mr. R. Srinivasan, aged 67 years, has an Electrical Engineering Degree from Madras University and MBA Degree from the IIM, Ahmedabad. He is the Founder, Managing Director of Redington (India) Limited, a 3.6 billion dollar Technology Products Supply Chain Solution Company operating in India, Middle East, Africa & Turkey. Prior to starting Redington in Singapore, he spent three years in Indonesia with a leading Textile Company. His experience also includes a number of years with Readers Digest and the Coca-Cola Corporation in India.

Mr. Sudhindar Krishan Khanna

Mr. Sudhindar Krishan Khanna, aged 60 years, has a Bachelor of Arts (Honors) degree in Economics from St. Stephen's College (New Delhi) and is a Chartered Accountant. He is the Chairman and Managing Director of IEP Mumbai, a leading control oriented PE Fund. He was one of the founding members of Accenture worldwide and became the Country Managing Partner of Accenture in India & the Middle East and a lead member of the Accenture global management team. He was responsible for establishing all major Accenture businesses in India, including ITO, BPO and KPO. Mr. Khanna serves on the board of United Spirits, Peninsula Holdings, Canara HSBC Insurance etc.

Mr. Srikant Madhav Datar

Mr. Srikant Madhav Datar, aged 60 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. Sosale Shankara Sastry

Mr. Sosale Shankara Sastry, aged 57 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. Subramanian Madhavan

Mr. Subramanian Madhavan, aged 56 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.

Mr. Keki Mistry

Mr. Keki Mistry, aged 58 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 Infrastructure Leasing & Financial Services Ltd., Sun Pharmaceutical Industries Ltd, The Great Eastern Shipping Company Ltd., Torrent Power Ltd. and Bombay Stock Exchange. Some of Mr. Mistry's recent recognitions include, being awarded the CFO India Hall of Fame by the CFO India magazine in 2012, being honoured with the 'CA Business Achiever of the year' award in the Financial Sector by the Institute of Chartered Accountants of India (ICAI) in 2011, declared as the Best CFO in the Financial Services category by the ICAI for 2008, CNBC TV18's Award for the 'Best Performing CFO in the Financial Services Sector' for three consecutive years - 2006, 2007 & 2008 and CFO of the Year for 2008, selected as the 'Best Investor Relations Officer' in the Corporate Governance poll by Asiamoney (2008).

The tenure of Board of Directors

Executive directors are appointed by the shareholders for the tenure of a maximum period of five years, and are eligible for re-appointment upon completion of their term. The tenure of independent directors on the Board of the Company shall be 9 years. For the independent directors who were on the Board in January, 2009, the period of 9 years shall be w.e.f. July 1, 2008 and for any appointments thereafter, the said term shall be from the date of the appointment.

Retirement Policy of the Board of Directors

The Board has formulated a retirement policy pursuant to which there shall be an age limit of 75 years for all the Directors who shall serve on the Board of the Company.

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.

Independent Directors are expected not to serve on the Board/ Committees of competing companies. Other than this, there is no limitation on the Directorships /Committee memberships except those imposed by law and good corporate governance.

Directors' Responsibilties

(a) The principal responsibility of the Board members is to oversee the management of the Company and in doing so, serve the best interests of the Company and its stakeholders. This responsibility 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.
- Establising a corporate environment that promotes timely and effective disclosure (including robust and appropriate controls, procedures and incentives), fiscal responsibilty, 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 in what they reasonably believe to be in the best interests of the Company and its stakeholders.

(c) **Understand the Company and its business:** The directors have an obligation to remain informed about the Company and its business, including the principal operational and financial objectives, strategies and plans of the Company, relative standing of the business segments within the Company and vis-a-vis the competitors of the Company, factors that determine the Company's success, results of operations and financial conditon 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 polices.
- 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 meetings are generally held at the Technology HUB of the Company at Noida. 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 & 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, 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.

Discussion with Independent Directors: Independent Directors are regularly updated on performance of each line of business of the Company, business strategy going forward and new initiatives being taken/ proposed to be taken by the Company. The independent directors meet periodically without the executive directors or the management. The independent directors also periodically have one on one meetings with the statutory auditors and internal auditors, where neither the executive directors nor any person from the management is present.

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 held

There were five Board meetings held during the year ended June 30, 2013. These were held on July 24 & 25, 2012, October

15&17, 2012, January 15 &17, 2013, February 06, 2013 and April 15 &17, 2013. The following table gives the attendance record of the directors meetings 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	5	5	Yes
Ms. Roshni Nadar Malhotra**	-	-	-
Mr. Vineet Nayar	5	5^	No
Ms. Robin Abrams	5	5^	No
Mr. Subroto Bhattacharya	5	5	Yes
Mr. Amal Ganguli	5	5	Yes
Mr. R. Srinivasan	5	5^	No
Mr. Sudhindar Krishan Khanna	5	5^	Yes
Mr. Srikant Madhav Datar	5	4^	No
Mr. Sosale Sankara Sastry	5	4^	No
Mr. Subramanian Madhavan#	3	3	N.A.
Mr. Keki Mistry*	1	-	N.A.

^ include one meeting attended through conference call.
 # appointed as an Additional Director of the Company w.e..f. January 15, 2013.
** appointed as an Additional Director of the Company w.e.f. April 15, 2013.*
*** appointed as an Additional Director of the Company w.e.f. July 29, 2013.*

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.

Currently, the Board has eight Committees viz. Audit Committee, Compensation Committee, Nominations Committee, Risk Management Committee, Finance Committee, Shareholders' Committee, Employees' Stock Options Allotment Committee and Restructuring Committee (formed for a special purpose i.e. Scheme of Arrangement).

Keeping in view the requirements of the Companies Act, 1956 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:

S. No.	Director	Audit Committee	Compensation Committee	Shareholders' Committee	Nominations Committee	Finance Committee	Employees' stock option committee	Risk Management Committee
Executive Director								
1.	Mr. Shiv Nadar	N.A	N.A	Member	Chairman	Member	Member	N.A
Non Executive Directors								
2.	Mr. Vineet Nayar**	N.A	N.A	Member	N.A.	N.A	Member	N.A
3.	Ms. Roshni Nadar Malhotra	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Independent Non Executive Directors								
4.	Mr. Subroto Bhattacharya	Member	N.A	Chairman	N.A	N.A.#	Member	Member
5.	Ms. Robin Abrams	Member	Member	N.A	N.A	N.A	N.A	Member
6.	Mr. Amal Ganguli	Chairman	N.A	N.A	N.A	Chairman	N.A	Chairman
7.	Mr. R. Srinivasan	N.A	Chairman^	N.A	Member	Member	N.A	N.A
8.	Mr. Sudhindar Krishan Khanna	N.A	N.A	N.A	N.A	Member#	N.A	N.A
9.	Mr. Srikant Madhav Datar	N.A.	Member^	N.A	N.A	N.A	N.A	N.A
10.	Mr. Sosale Sankara Sastry	N.A.	N.A.	N.A	N.A	N.A	N.A	N.A
11	Mr. Subramanian Madhavan	Member*	N.A.	N.A	N.A	N.A	N.A	N.A
12.	Mr. Keki Mistry	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

*Note 1: *Mr. Subramanian Madhavan was appointed as the Member w.e.f. January 19, 2013.*
Note 2: ^Mr. Srikant Madhav Datar was appointed as a member and Mr. R. Srinivasan was appointed as the Chairman w.e.f. October 31, 2012.
Note 3: #Mr. Subroto Bhattacharya ceased to be the member and Mr. Sudhindar Krishan Khanna was appointed as the member w.e.f. October 17, 2012.
*Note 4: **Mr. Vineet Nayar ceased to be the Executive Director of the Company w.e.f. July 31, 2013.*

1. **Audit Committee**

The Audit Committee comprises of four Independent Directors, namely:

a) Mr. Amal Ganguli (Chairman)

b) Ms. Robin Abrams

c) Mr. Subroto Bhattacharya

d) Mr. Subramanian Madhavan*

** appointed as a member w.e.f. January 19, 2013.*

The Company Secretary acts as a Secretary to the Committee.

Terms of Reference

The constitution and terms of reference of the Audit Committee meet all the requirements of Section 292A of the Companies Act, 1956 as well as Clause 49 of the Listing Agreement.

The Terms of Reference for the Audit Committee are as under.

a) Statutory Auditors

Recommend to the Board the appointment, re-appointment and if required, the replacement or removal of the Statutory Auditors, fixation of audit fee and also approve payment for any other services rendered by the statutory auditors.

b) Review independence of Statutory Auditors

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

The 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 Audit Results

Review with 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 Financial Statements

Review the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are accurate, sufficient and credible. The Audit Committee reviews 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:

a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956;

b. Any changes in accounting policies and practices and reasons for the same.

c. Major accounting entries based on exercise of judgment by management.

d. Qualifications in draft audit report.

e. Significant adjustments made in the financial statements arising out of audit.

f. The going concern assumption.

g. Compliance with accounting standards.

h. Compliance with stock exchange and legal requirements concerning financial statements.

i. 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.

j. Contingent liabilities.

k. Status of litigations by or against the Company.

l. Claims against the Company and their effect on the accounts.

g) Review Quarterly Results

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

h) Review the performance of the Internal and External Auditors

Review with the management the performance of the Statutory and Internal auditors and adequacy of the internal control systems.

i) Oversight Role

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

j) Review policies

Review the Company's financial and risk management policies.

k) Review Internal Audit function

Review the adequacy of internal audit function, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

l) Review Internal Audit plans

Review with the senior internal auditing executive and appropriate members of the staff of the internal auditing department the plans for and the scope of their ongoing audit activities.

m) Review Internal Audit reports

Review with the senior internal auditing executive and appropriate members of the staff of the internal auditing department the annual report of the audit activities, examinations and results thereof of the internal auditing department, any significant findings and follow up thereon. The Audit Committee also reviews the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of internal control system of a material nature and reporting the matter to the Board.

n) **Review systems of internal accounting controls**

Review with the Statutory Auditors, the senior internal auditing executive and, if and to the extent deemed appropriate by the Chairman of the Committee, members of their respective staffs, the adequacy of the Company's internal accounting controls, the Company's financial, auditing and accounting organizations and personnel and the Company's policies and compliance procedures with respect to business practices.

o) **Review recommendations of auditors**

Review with the senior internal auditing executive and the appropriate members of the staff of the internal auditing department, the recommendations made by the Statutory Auditors and the senior internal auditing executive, as well as such other matters, if any, as such persons or other officers of the Company may desire to bring to the attention of the Committee.

p) **Review the functioning of Whistle Blower Policy**

Updates to be sent to the Audit Committee in case of any instances.

q) **Review other matters**

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

r) **Reporting to Board**

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

s) **Investigation**

The Audit Committee has the authority to investigate any matter in relation to the items specified in Section 292A of the Companies Act, 1956 or referred to it by the Board and for this purpose it has full access to the information contained in the records of the Company. It can 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 nonpayment of declared dividends) and creditors, if any.

t) **Seek information / advice**

The Audit Committee can seek information from any employee and can obtain from outside any legal or other professional advice. It can also secure attendance of outsiders with relevant experience, if it considers necessary.

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

Approval of the appointment of CFO (the whole-time Finance Director or any other person heading the finance function) after assessing the qualifications, experience and background etc. of the candidate.

v) **Review the Statement of Uses and Application of Funds**

Reviewing, 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 making appropriate recommendations to the Board to take steps in the matter.

w) **Review of other Information**

The Audit Committee shall mandatorily review the following information:

(a) Management discussion and analysis of financial condition and results of operation.

(b) Statement of significant related party transactions submitted by the management.

(c) Management letters/letters of internal control weaknesses issued by the Statutory Auditors.

(d) Internal audit reports relating to internal control weaknesses.

(e) The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review of the Audit Committee.

x) **Basis of Related Party Transactions**

(a) The statement in summary form of transactions with related parties in the ordinary course of business shall be placed periodically before the audit committee.

(b) Details of material individual transactions with related parties, which are not in the normal course of business, shall be placed before the audit committee.

(c) Details of material individual transactions with related parties or others, which are not on arms length basis shall be placed before the audit committee together with the management justification for the same.

Explanation: The term “Related Party Transactions” shall have the meaning as contained in the Accounting Standard 18, Related Party Transactions, issued by the Institute of Chartered Accountants of India.

y) **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 audit sought by the members of the Company.

Statutory Auditors of the Company shall be special invitees to the Audit Committee meetings, wherein they participate on discussions related to the review of 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 Committee.

z) **Subsidiary Companies**

The Audit Committee of the listed holding company shall also review the financial statements, in particular the investments made by the unlisted subsidiary companies.

aa) Annual Review of the Terms of Reference of the Audit Committee

The Committee will review and reassess the adequacy of the terms of reference of the Audit Committee annually, and where necessary obtain the assistance of management, the Group's external auditors and external legal counsel.

Eight meetings of the Audit Committee were held during the year, on the following dates:

July 19, 2012

July 24, 2012

October 10, 2012

October 15, 2012

January 15, 2013

January 21, 2013

April 9, 2013

April 15, 2013

Attendance details of each member at the Audit Committee meetings held during the year ended June 30, 2013 are as follows:

Name of the Committee Member	Position	Number of Meetings held	Number of Meetings attended
Mr. Amal Ganguli	Chairman	8	8
Ms. Robin Abrams	Member	8	8^
Mr. Subroto Bhattacharya	Member	8	7
Mr. Subramanian Madhavan*	Chairman	3	2

** appointed as a member w.e.f. January 19, 2013.*
^ include four meetings attended through conference call.

2. Compensation Committee

The Compensation Committee consists of following members:

a) Mr. R. Srinivasan (Chairman)#

b) Ms. Robin Abrams

c) Mr. Srikant Madhav Datar*

** appointed as a member of the Committee w.e.f October 31, 2012.*

 # appointed as the Chairman of the Committee w.e.f. October 31, 2012.

Terms of Reference

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

a) Review and recommend to the Board the remuneration policy for the Company.

b) Review and approve/recommend the remuneration for the Corporate Officers or Whole-Time Directors of the Company.

c) Approve inclusion of senior officers of the company as Corporate Officers.

d) Approve promotions within the Corporate Officers.

e) Regularly review the Human Resource function of the company.

f) Approve grant of stock options to the employees and / or 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.

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

h) Make reports to the Board as appropriate.

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

Five meetings of the Compensation Committee were held during the year physically/ via conference call on the following dates:

July 23, 2012

October 20, 2012

January 11, 2013

March 16, 2013

April 11, 2013

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 Compensation 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 two Executive Directors viz. Mr. Shiv Nadar and Mr. Vineet Nayar. 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 and Mr. Vineet Nayar for the year ended June 30, 2013 from the Company/subsidiaries is as under:

Remuneration to Mr. Shiv Nadar from the Company:

Particulars	₹ / crores
Salary	1.80
Allowances and Perquisites	9.88
Contribution to Provident Fund	0.22
Total	**11.90**

In addition, Mr. Shiv Nadar received ₹ 1.70 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	₹ / crores
Salary	2.40
Allowances and Perquisites	5.60
Contribution to Provident Fund	0.29
Total	**8.29**

In addition Mr. Vineet Nayar received Rs 0.98 crores as salary and perquisites from a subsidiary of the company. The overall compensation is in accordance with the approval given by the Board and Shareholders of the Company.

Mr. Vineet Nayar was also granted Stock Options of the Company. The details of the same as on June 30, 2013 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	
24-10-2005	7,50,000	8.00	2,50,000	01-Jul-08	2,50,000
			2,50,000	01-Jul-09	2,50,000
			2,50,000	01-Jul-10	2,50,000
24-08-2009	1,75,000	8.00	1,75,000	31-Aug-10	1,75,000
19-10-2010	12,50,000	8.00	2,50,000	01-Jan-12	2,50,000
			2,50,000	01-Jan-13	2,50,000
			2,50,000	01-Jan-14^	Nil^
			2,50,000	01-Jan-15^	Nil^
			2,50,000	01-Jan-16^	Nil^

** Each option entitles 4 equity shares of face value of Rs. 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 will expire.

Non-Executive Directors:

During the year, the Company paid sitting fees to its Non-Executive Directors for attending the meetings of the Board of Directors, Audit Committee and Finance Committee of the Company. The Company 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, 2013 are as under:

Name of the Director	Sitting Fees for the year ended June 30, 2013 ₹ / lacs	Commission for the year ended June 30, 2013 ₹ / lacs
Mr. Amal Ganguli	3.20	39.00
Ms. Robin Abrams	1.60	51.00
Mr. Subroto Bhattacharya	2.60	33.00
Mr. R. Srinivasan	0.80	51.00
Mr. Sudhindar Krishan Khanna	0.80	28.00
Mr. Srikant Madhav Datar	0.60	42.00
Mr. Sosale Shankara Sastry	0.40	42.00
Mr. Subramanian Madhavan	1.00	15.00
Mr. Keki Mistry	-	06.00

Note : The service tax on commission amounting to ₹ 37.95 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.

3. Nominations Committee

The Nominations Committee consists of the following members:

a) Mr. Shiv Nadar (Chairman)
b) Mr. R. Srinivasan

Terms of Reference:

The Terms of Reference of Nominations Committee are as under:

a) Succession planning for certain key positions in the Company viz. Chief Executive Officer (CEO), Chief Operating Officer (COO), Chief Financial Officer (CFO). The Committee shall identify, screen and review candidates, inside or outside the Company and provide its recommendations to the Board.
b) Reviewing the Company's Corporate Governance guidelines periodically and recommending such amendments to the Board as it deems necessary.
c) Review and reassess the adequacy of this charter periodically and recommend any proposed changes to the Board for approval from time to time.

4. Risk Management Committee

The Risk Management Committee consists of the following members:

a) Mr. Amal Ganguli (Chairman)
b) Ms. Robin Abrams
c) Mr. Subroto Bhattacharya

Terms of Reference

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

a) Assist the Board in overseeing the responsibilities with regard to the identification, evaluation and mitigation of operational, strategic and external environmental risks.
b) Review and approve the Risk management policy and associated framework, processes and practices.
c) Assist the Board in taking appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities.
d) Evaluating significant risk exposures including business continuity planning and disaster recovery planning.
e) Assessing management's actions in mitigating the risk exposures in a timely manner.
f) Promote the Enterprise Risk Management and to ensure that the risk management process and culture are embedded in the Company.
g) 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.
h) Maintaining aggregated view on the risk profile of the Company/ Industry in addition to the solo and individual risk profile.
i) Ensure the implementation of the objectives as per the Risk Management Policy and compliance with them.
j) Advise the Board on Board's risk appetite, tolerance and strategy.
k) Review and reassess the adequacy of this charter periodically and recommend any proposed changes to the Board for approval from time to time.
l) The Committee shall have access to any internal information necessary to fulfill its oversight role. As and when required the Committee can assign tasks to the Internal Auditor and Risk management team in the Company who will provide their findings to the Committee.

5. **Finance Committee**

The Finance Committee consists of the following members:

a) Mr. Amal Ganguli (Chairman)
b) Mr. Subroto Bhattacharya*
c) Mr. Shiv Nadar
d) Mr. R. Srinivasan
e) Mr. Sudhindar Krishan Khanna**

**ceased as a member of the committee w.e.f. October 17, 2012.*
***appointed as a member of the committee w.e.f. October 17, 2012.*

Terms of Reference

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

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

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

6. **Shareholders' Committee**

The Shareholders' Committee was re-constituted during the year which consists of the following members:

a) Mr. Subroto Bhattacharya (Chairman)
b) Mr. Shiv Nadar
c) Mr. Vineet Nayar

Mr. Manish Anand, Company Secretary is the Compliance Officer of the Company.

Terms of Reference

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

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

The details relating to the number of shareholders' complaints received and resolved and number of pending transfers have been provided in the shareholders information section.

During the year under review, the Committee met 11 times.

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

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

a) Mr. Shiv Nadar
b) Mr. Vineet Nayar
c) Mr. Subroto Bhattacharya
e) Mr. Anil Chanana

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

During the year under review, the Committee met 11 times.

Succession Planning

Succession planning for certain key positions in the Company viz. Chief Executive Officer (CEO), Chief Operating Officer (COO), Chief Financial Officer (CFO) is part of the charter of the Nominations 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, 2013.

Code of Business Ethics and Conduct

The Board has prescribed a Code of Conduct that provides for transparency, behavioral conduct, a gender friendly workplace, legal compliance and protection of Company's property and information. During the year, the said code was revised to increase its scope and applicability and now titled as Code of Business Ethics and Conduct (Code). The code covers all employees, Directors, third party vendors, consultants and customers across the world. 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 2012-13. A declaration to this effect signed by the Chairman & Chief Strategy Officer and CEO of the Company is provided elsewhere in this Report.

Code for Prevention of Insider Trading:

The Company has comprehensive guidelines on prevention of insider trading in line with the SEBI (Prohibition of Insider Trading) Regulations, 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 introduced an Anti- Bribery and Anti Corruption Policy that applies to the employees at all levels, directors, consultants, agents and other persons associated with the Company, its affiliates and subsidiaries. This policy covers matters relating to hospitality, offset obligations, employment of relatives, guidance on gifts, political/ charitable contributions, extortion/ blackmail responses etc. The same has been available on our website www.hcltech.com.

Sexual Harassment Policy

In order to ensure an additional available mode for the employees to voice their concern and bring it to the organization's notice, a mechanism is in place for employees to report any issues, abuse, etc. to a Council formed for this purpose. Any employee dissatisfied with the decision has a direct access to the CEO of the Company.

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 Whistleblower policy is in place to provide appropriate avenues to the employees, contractors, clients, vendors, internal or external auditors, law enforcement /regulatory agencies or other third parties to bring to the attention of the management any issues which are perceived to be in violation or in conflict with the fundamental business principles of the Company. All cases registered under the Whistle Blower Policy of the Company are reported to the Whistle Blower Committee and Whistle Blower Committee reports its activities to the CEO on monthly basis. The CEO also reviews the policy and process periodically to ensure that there are no gaps in the implementation of the policy. An update on whistle blower cases is also provided to the Audit Committee.

Corporate Governance Voluntarily Guidelines 2009

Ministry of Corporate Affairs, Government of India had published the Corporate Governance Voluntarily Guidelines 2009 which is recommendatory in nature. These guidelines have been published keeping in view the objective of encouraging the use of better practices through voluntary adoption, which not only serve as a benchmark for the corporate sector but also help them in achieving the highest standard of corporate governance. The Corporate sector has been advised to voluntarily adopt these guidelines with the objective of using better corporate governance practices which the Ministry believes will enables the Indian corporate sector to enhance not only the economic value of the Company but also the value for every shareholder who has contributed in the success of the Company. These guidelines broadly focus on the areas like Board of Directors, responsibilities of the Board, audit committee functions, roles and responsibilities, appointment of auditors, compliances and a mechanism for Whistle Blower support. The Company is already majorly in compliance with these guidelines.

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 General Meetings held during the preceding 3 years are as follows:

Year	Date	Venue	Time	Special Resolution
Annual General Meetings				
2009-10	October, 28, 2010	FICCI Auditorium, Federation House, Tansen Marg, New Delhi.	11.00 A.M.	–
2010-11	November 02, 2011	Air Force Auditorium, Subroto Park, New Delhi.	3.00 P.M.	–
2011-12	October 22, 2012	FICCI Auditorium, Federation House, Tansen Marg, New Delhi.	11.00 P.M.	–

During the year, no resolution was passed through postal ballot and presently, no resolution has been 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, 2013 and the Board reviewed the same. The said Certificate is provided elsewhere in the Annual Report.

Disclosures

a) Related party transactions

The details of the transactions with related parties or others, if any, as prescribed in the Listing Agreement, are being placed before the Audit Committee from time to time. During the year under review, the Company has not entered into any transaction of a material nature with its subsidiaries, promoters, directors or the management, their relatives, etc., that may have any potential conflict with the interest of the Company.

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) **Material transactions with senior managerial personnel**

During the year, no material transaction has been entered into by the Company with the senior management personnel where they had or were deemed to have any personal interest that may have a potential conflict with the interest of the Company. The Company has obtained requisite declarations from all senior management personnel in this regard and the same were placed before the Board of Directors.

d) **Other Disclosures**

The Company has also laid down the procedures to inform the Board members about the risk assessment and minimization procedures.

During the year, the Company did not raise any money through public issue, rights issue or preferential issue 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, Director's Report, Auditor's 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) **Management Discussion and Analysis:** The Management's Discussion and Analysis (MD & A) Report forms part of the Annual Report.

f) **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.

g) **Corporate Filing and Dissemination System (CFDS):** Pursuant to clause 52 of the Listing Agreement, the company during the year has uploaded financial information like annual and quarterly financial statements, segment-wise results and shareholding pattern on the CFDS website www.corpfiling.co.in

h) **National ECS facility:** The Company is using NECS mandate for remittance of dividend either through NECS or other electronic modes failing which the bank details available with Depository Participants are printed on the dividend warrant. All the arrangements are subject to RBI guidelines, issued from time to time.

i) **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.

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 e-mail addresses with the Registrar & Share Transfer Agent, by sending a letter, duly signed by the first/ sole holder quoting details of Folio No.

Investor Relations- Enhancing Investor Dialogue

As a listed entity, and a responsible corporate citizen, the Company recognizes the imperative 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 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 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 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. 90% of the shareholders have given the rating "Good" or "Excellent".

Shareholders' Information

b) Share Transfer System

The Company's share transfer 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, if the documents are complete in all respects. As per the requirements of clause 47(c) of the Listing Agreement with the Stock Exchanges, the Company has obtained half-yearly certificates from Practising Company Secretary for due compliance of share transfer formalities.

c) Reconciliation of Share Capital Audit Report

As required under Regulation 55A of SEBI (Depositories and Participants), Regulations, 1996, the reconciliation of share capital audit report on the total admitted capital with National Securities Depository Limited ("NSDL") and Central Depository Services (India) Ltd. ("CDSL") and the total issued and listed capital for each of the quarter in the financial year ended June 30, 2013 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.

a) General Information

Dates of book closure	December 20, 2013 to December 23, 2013 (both days inclusive)
Date, time and venue of the ensuing Annual General Meeting	December 27, 2013 at 11.00 a.m. FICCI Auditorium, Federation House, 1, Tansen Marg, New Delhi -110 001
Dividend Payment Date (subject to the approval of the shareholders)	On or before January 26, 2014
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
	The Bombay Stock Exchange Ltd. (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001, India Tel.: +91-22-22721233, Fax: +91-22-22723121
Listing of Non-Convertible Debentures on stock exchanges in India at	The Wholesale Debt Market Segment of NSE.
Listing fees	Paid to all the above stock exchanges for the Year 2013-2014.
Stock Code	National Stock Exchange - "HCLTECH" Bombay Stock Exchange - "532281"
Corporate Identification Number (CIN) of the Company	L74140DL1991PLC046369
Registered Office	806, Siddharth, 96, Nehru Place, New Delhi - 110 019, India Tel.: +91-11-26444812, Fax: +91-11-26436336 Homepage: www.hcltech.com
Registrar & Shares Transfer Agent	Alankit Assignments Limited 205-208, Anarkali Market, Jhandewalan Extension, New Delhi - 110 055, India. Tel.: +91-11-42541234, 23541234, Fax: +91-11-42541967, E-mail: rta@alankit.com
Debenture Trustee	IDBI Trusteeship Services Limited Asian Building, Ground Floor, 17, R Kamani Marg, Ballard Estate Mumbai 400 023

d) Dematerialization of Shares

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 & Shares Transfer Agent.
- The Company's Registrar & Shares 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, 2013, about 99.93% of the equity shares issued by the Company are held 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.

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

Pursuant to section 205A of the Companies Act, 1956, unclaimed balance of the dividends lying in the dividend accounts in respect of the dividend declared till April 2005 have been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. The dividends for the following years, which remain unclaimed for seven years, will be transferred to the IEPF in accordance with the schedule given below. Shareholders who have not enchased 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
2005-06	Final	December 14, 2006	January 13, 2014
2006-07	1st Interim	October 16, 2006	November 15, 2013
	2nd Interim	January 15, 2007	February 14, 2014
	3rd Interim	April 17, 2007	May 17, 2014
	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 22, 2009	May 22, 2016
	Final	December 08, 2009	January 07, 2017
2009-10	1st Interim	October 28, 2009	November 27, 2016
	2nd Interim	January 25, 2010	February 24, 2017
	3rd Interim	April 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

f) Distribution of shareholding as on June 30, 2013

Number of Equity Shares held	No. of Shareholders	Shareholders (%)	No. of Shares	Shares (%)
1 - 100	63,676	77.25	2,049,890	0.29
101 - 200	8,936	10.84	1,525,245	0.22
201 - 500	4,571	5.55	1,573,026	0.23
501 - 1000	1,631	1.98	1,221,272	0.18
1001 - 5000	1,954	2.37	4,735,054	0.68
5001 - 10000	511	0.62	3,613,853	0.52
10001 and above	1,145	1.39	682,151,517	97.89
Total	**82,424**	**100.00**	**696,869,857**	**100.00**

g) Categories of shareholders as on June 30, 2013

Category	Number of Equity shares held	Voting Strength (%)
Promoters	431,514,284	61.92%
Mutual Funds/ UTI	17,835,735	2.56%
Financial Institutions/ Banks	211,167	0.03%
Insurance Companies	27,124,836	3.89%
Foreign Institutional Investors	170,413,137	24.45%
Foreign Banks	657	0.00%
Bodies Corporate	18,487,311	2.65%
Individuals	18,042,503	2.59%
NRIs / OCBs	2,477,197	0.36%
Foreign Nationals	47,407	0.01%
Trusts	642,064	0.09%
Foreign Corporate Body	8,322,800	1.19%
HUF	150,507	0.02%
Clearing Members	1,600,252	0.23%
Grand Total	**696,869,857**	**100.00%**

h) Stock market data

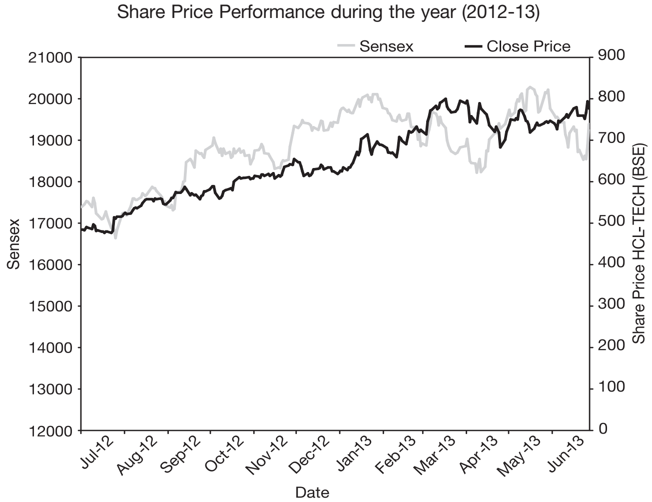
Monthly high and low quotations, as well as the volume of shares traded at the National Stock Exchange of India Limited ("NSE") and the Bombay Stock Exchange Limited ("BSE"), for fiscal year are as follows:

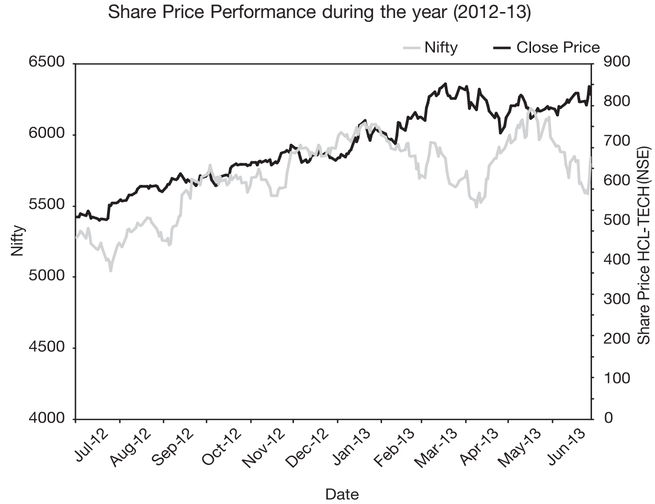
Month	NSE			BSE		
	High (₹)	Low (₹)	Volume (Number)	High (₹)	Low (₹)	Volume (Number)
July 2012	520.75	471.45	26,970,734	520.60	472.50	1,259,692,401
August 2012	562.00	517.10	18,605,672	562.05	517.00	493,622,258
September 2012	595.80	539.00	24,907,001	595.00	539.90	534,426,959
October 2012	619.55	534.30	32,175,768	618.95	556.70	803,197,901
November 2012	660.95	602.00	27,263,368	658.95	602.40	582,264,930
December 2012	656.00	608.05	15,275,840	655.30	608.50	392,011,266
January 2013	721.30	619.85	37,670,349	720.90	620.25	1,980,931,859
February 2013	736.60	652.00	32,551,247	735.60	652.60	847,974,060
March 2013	805.50	711.60	34,326,725	804.50	708.60	1,005,457,411
April 2013	810.00	672.95	39,935,565	809.00	673.60	2,253,242,645
May 2013	783.60	716.65	30,271,586	783.00	716.70	1,101,878,663
June 2013	800.00	721.00	21,322,613	800.00	721.00	635,933,351

i) Liquidity

The Company's shares are among the most liquid and actively traded shares on NSE and BSE. The monthly trading volumes of the Company's shares on these exchanges are given in the table above in the Paragraph (h) titled `Stock Market Data'.

j) Share price performance in comparison to broad based Indices





k) Shareholders Services

(i) Complaints received during the year 2012-2013

The Company gives utmost priority to the interests of the shareholders. We have a shareholders' committee to examine and redress shareholders' and investors' complaints. All the requests / complaints of the shareholders have been resolved to the satisfaction of the shareholders within the statutory time limits. The status of shareholders' complaints received during the financial year is as follows:

Source of Complaint	Received	Resolved
Directly from the Investors	17	17
Through SEBI, Stock Exchanges, etc.	10	10
Total	**27**	**27**

(ii) Share Transfers - As on June 30, 2013, no equity share was pending for transfer.

(iii) National Electronic Clearing Services (NECS) facility

The divided remittances to shareholders happen predominantly through NECS as per the locations approved by RBI from time to time. If you are located at any of the NECS centers and have not registered your NECS mandate, please arrange to forward your NECS mandate to your depository participant if the shares are held in demat form, or to the Company/ Registrars, if the shares are held in physical form, immediately.

l) 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.

m) Financial Calendar (tentative and subject to change)

Financial reporting for the first quarter ending September 30, 2013	October 15-16, 2013
Financial reporting for the second quarter ending December 31, 2013	January 14-15, 2014
Financial reporting for the third quarter ending March 31, 2014	April 15-16, 2014
Financial reporting for the year ending June 30, 2014	July 29-30, 2014
Annual General Meeting for the year ending June 30, 2014	October / November 2014

n) 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

o) Compliance Certificate on the Corporate Governance from the Auditors

The certificate dated July 31, 2013 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.

p) Centres' Locations

Chennai – Centres

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

34 & 35 Haddows Road,
Chennai- 600 034, India
Tel. : +(91) 44 4220 9999
Fax :+(91) 44 4213 2749

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

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

Thapar House
43 / 44, Montieth Road, Egmore,
Chennai- 600 008, India
Tel. : +(91) 44 2855 2903/4
Fax :+(91) 44 2851 1986

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

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

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

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

35, South Phase
Guindy Industrial Estate
Ekkaduthangal, (GUINDY-2)
Chennai- 600 097, India
Tel : +(91) 44 2231 8321
Fax :+(91) 44 2231 8320

601-602, 604 Tidel Park
4 Canal Road, Taramani
Chennai- 600 113, India
Tel. : +(91) 44 2254 0473
Fax :+(91) 44 2254 0308

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

#30, Ethiraj Salai, Egmore,
Chennai- 600105, India
Tel : +(91) 44 2828 9200

Module 201 to 203,
Tidel Park Coimbatore limited
ELCOT SEZ - IT\ITES
Villankurichi Road, Civil Aero-drome Post,
Coimbatore -641004 India
Tel: +(91) 0422 6657525
Fax:+ (91)0422 6657554

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

Gurgaon - Centres

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

Plot No. 244, Udyog Vihar Phase 1
Gurgaon, 122 016
Haryana, India
Tel. : +(91) 124 434 6200
Fax :+(91) 124 234 9020

Kolkata Centres

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 Centres

A- 10 &11, Sector 3,
Noida 201301,
U.P., India
Tel. : +(91) 120 4013000
Fax : +(91) 120 2539799

A 9, 16, 17 & 18, Sector 3,
Noida, 201 301,
U.P., India
Tel. : +(91) 120 4382800
Fax :+(91) 120 2530591

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

A - 22, Sector 60,
Noida - 201301,
U.P., India
Tel: +(91) 120-4364200
Fax:+(91) 120-4347485

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

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

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

A 91, Sector 2,
Noida, 201 301,
U.P., India
Tel. : +(91) 120 4502700
Fax :+(91) 120 2529000

B-34 / 3, Sector 59,
Noida 201301,
U.P., India
Tel: +(91) 120- 4364488
Fax: +(91) 120-2589688

A-104, Sector 58,
Noida 201301,
U.P., India
Tel: +(91) 120-4061200
Fax:+(91) 120-2589667

A 2, Sector 3,
Noida, 201301,
U.P., India.
Tel. : +(91) 120 4362900
Fax :+(91) 120 2534773

A11, Sector 16,
Noida, 201 301,
U.P., India
Tel. : +(91) 120 4383000
Fax : +(91) 120 2510713

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

C-49, Sec-57
Noida 201301,
U.P. India,
Tel : +(91) 120 3387000
Fax: +(91) 120 4120303

F 8 & 9, Sector 3,
Noida-201301
UP, India
Tel : +(91) 120 4362100
Fax: +(91) 120 2525681

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-201303
U.P., India
Tel: +(91) 120 4683000
Fax: +(91) 120 4683030

Hyderabad Centre

DHFLVC Silicon Towers, Second Floor,
Kothaguda,
Hyderabad-500084
Tel: +(91) 40 6615 2222

4th Floor, Pawani Plaza
No.6-3-698/A,
Panjagutta
Hyderabad - 500082
Ph: +(91) 40-4202 7025

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

Pune Center

"Commerzone", Unit# 401, 4th Floor,
Building 7
Samrat Ashoka Path,
Opp. Airport Road, Yerwada,
Pune (Maharashtra) - 411006
Tel: +(91)-20-67279000
Fax: +(91)-20-67279008

"The Chambers", Unit No.201, 2nd
Floor
Viman Nagar, Taluka Haveli, Village
Lohagaon
Pune 411014
Tel: +(91)-20-66438803
Fax: +(91)-20-66438802

Pune SEZ

Tower-7, Upper Ground Floor, Wing
A&B
Magarpatta SEZ
Hadapsar, Pune-400013
Tel : +(91) 20 3040 6300-01

Bangalore - Centers

Vertex Tech Park
#564, Pattandur Agrahara Road
Off Whitefield Road , Next to ITPL
Bangalore-560066, India
Tel : +(91) 80 4187 3000
Fax : +(91) 80 4115 7474

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

SJR Equinox, Survey No.47/8,
Dhodda Thogur Village,
Begur Hobli, Electronic City- 1st phase,
Bangalore-560100
Tel : +(91) 80 33209000
Fax: +(91) 80 33208000

The Senate,
33/1, Ulsoor Road,
Bangalore - 560 042, India
Tel : +(91) 80 4190 6000
Fax : +(91) 80 4124 6888

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

Bangalore SEZ

No. 129, Jigani Bomasandra,
Link Road , Jigani Industrial Area
Bangalore: 562106, India
Tel : +(91) 80 6781 0000
Fax: +(91)80 6631 1111

8 & 9, G.B. Palya,
Off. Hosur Road,
Bangalore - 560 068. India
Tel : +(91) 80 4158 4000
Fax:+(91) 80 2573 5516

#6, A.S. Chambers.
80 Feet Road.
6th Block, Koramangala.
Bangalore - 560095, India
Tel : +(91) 80 6644 1000
Fax: +(91) 80 6644 1117

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 tenure of Independent Director

The Board has decided that Independent Directors shall have tenure, in the aggregate, a period of 9 years on the Board of the Company. For the independent directors who were on the Board on July 01, 2008, the period of 9 years shall be w.e.f. July 1, 2008 and for any appointments thereafter, the said term shall be from the date of the appointment.

2. Remuneration Committee

The Compensation Committee of the Company is in existence from September, 1999. An independent non executive director of the Company is the Chairperson of the Compensation Committee. All the members of the Compensation Committee are independent non executive directors. The details of the Compensation Committee are provided elsewhere in the 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, 2013.

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, etc. and (c) training on corporate excellence.

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. Whistle Blower Framework

The Company has a Whistleblower Framework for making a disclosure of any unethical activity that they have observed which includes violation of any law, rule, regulation or code of business ethics and conduct or any company policy or fraudulent and corrupt practices. All cases registered under the Whistle Blower Policy of the Company are reported to the Whistle Blower Committee. An update on whistle blower cases is also provided to the Audit Committee.

AUDITORS' CERTIFICATE

REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

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, 2013, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the 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, 2013

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, 2013, received from its Board members as well as senior management personnel affirmation as to compliance with the Code of Conduct.

Place: Noida (U.P.), India	**Anant Gupta**	**Shiv Nadar**
Date: July 31, 2013	President & Chief Executive Officer	Chairman and Chief Strategy Officer

CERTIFICATE BY CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)

PURSUANT TO CLAUSE 49(V) OF THE LISTING AGREEMENT OF 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, 2013 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 the 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	**Shiv Nadar**
President & Chief Executive Officer	Chairman and Chief Strategy Officer

Anil Chanana
Chief Financial Officer

Place : Noida (U.P.), India
Date : July 31, 2013

Financial Statements

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, 2013, 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 referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). 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. 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 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, 2013;

(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, Statement of Profit and Loss, and Cash Flow Statement comply with the accounting standards referred to in subsection (3C) of Section 211 of the Companies Act, 1956;

   (e) On the basis of written representations received from the directors as on June 30, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on June 30, 2013, 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
Date: July 31, 2013

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	1,559,934	2009-10	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961#	Income Tax	117,357,603	2007-08	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	1,495,038,602	2007-08	Income Tax Appellate Tribunal
Income Tax Act, 1961#	Income Tax	79,113,941	2006-07	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	1,347,790,098	2006-07	Income Tax Appellate Tribunal
Income Tax Act, 1961#	Income Tax	568,484	2005-06	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	12,695,202	2005-06	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	8,323,382	2005-06	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	73,889,619	2005-06	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961*	Income Tax	49,864,642	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	18,603	2004-05	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	14,910,000	2004-05	Delhi High Court
Income Tax Act, 1961*	Income Tax	62,133,501	2004-05	Delhi High Court
Income Tax Act, 1961	Income Tax	388,378,625	2004-05	Supreme Court of India
Income Tax Act, 1961*	Income Tax	19,462,691	2004-05	Delhi High Court
Income Tax Act, 1961#	Income Tax	165,412	2003-04	Income Tax Appellate Tribunal
Income Tax Act, 1961*	Income Tax	176,062,957	2003-04	Delhi High Court
Income Tax Act, 1961	Income Tax	1,420,000	2003-04	Delhi High Court
Income Tax Act, 1961	Income Tax	95,176,349	2003-04	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	12,831,441	2003-04	Supreme Court of India
Income Tax Act, 1961	Income Tax	21,175,729	2002-03	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	2,432,500	2001-02	Delhi High Court
Income Tax Act, 1961#	Income Tax	4,162,204	2001-02	Income Tax Appellate Tribunal
Customs Act, 1962	Custom Duty	2,018,406	2005-06	Customs ,Excise, Service Tax Appellant Tribunal, Bangalore
Indian Stamp Act, 1889	Stamp Duty	143,763	2012-13	District Court, Delhi
Central Sales tax Act, 1956#	Sales tax	44,400	1995-96	Allahabad High Court

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

Added pursuant to scheme for demerger of IT enabled business of HCL Comnet Systems & Services Limited

(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 created security or charge in respect of debentures outstanding at the year end.

(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 on or by 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 No.: 17401

Place of Signature : Gurgaon, India
Date : July 31, 2013

Balance Sheet as at 30 June 2013

(All amounts in crores of ₹)

	Note No.	As at 30 June 2013	As at 30 June 2012
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	**2.1**	139.37	138.66
(b) Reserves and surplus	**2.2**	10,093.36	6,465.15
		10,232.73	**6,603.81**
(2) Share application money pending allotment	**2.3**	5.01	2.77
(3) Non - current liabilities			
(a) Long-term borrowings	**2.4**	532.66	525.65
(b) Other long-term liabilities	**2.5**	436.92	349.63
(c) Long term provisions	**2.6**	165.98	163.18
		1,135.56	**1,038.46**
(4) Current liabilities			
(a) Short term borrowings	**2.7**	82.48	173.22
(b) Trade payables	**2.8**	333.29	380.32
(c) Other current liabilities	**2.8**	2,978.45	1,883.84
(d) Short term provisions	**2.9**	1,191.81	794.61
		4,586.03	**3,231.99**
TOTAL		**15,959.33**	**10,877.03**
II. ASSETS			
(1) Non-current assets			
(a) Fixed Assets			
(i) Tangible assets	**2.10**	1,896.95	1,552.39
(ii) Intangible assets	**2.10**	57.23	61.32
(iii) Capital work in progress		488.19	549.55
		2,442.37	**2,163.26**
(b) Non-current investments	**2.11**	3,609.72	2,933.67
(c) Deferred tax assets (net)	**2.12**	376.69	237.15
(d) Long term loans and advances	**2.13**	764.09	621.67
(e) Other non-current assets	**2.14**	132.70	242.57
		7,325.57	**6,198.32**
(2) Current Assets			
(a) Current investments	**2.11**	445.98	364.28
(b) Inventories	**2.15**	81.84	99.99
(c) Trade receivables	**2.16**	2,709.21	1,992.42
(d) Cash and bank balances	**2.17**	2,808.83	1,041.20
(e) Short - term loans and advances	**2.18**	1,511.51	428.71
(f) Other current assets	**2.19**	1,076.39	752.11
		8,633.76	**4,678.71**
TOTAL		**15,959.33**	**10,877.03**
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 HCL Technologies Limited

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

per Tridibes Basu
Partner
Membership Number: 17401

Gurgaon, India
31 July 2013

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

Noida (UP), India
31 July 2013

Statement of Profit and Loss for the year ended 30 June 2013

(All amounts in crores of ₹ except share data unless otherwise stated)

	Note No.	Year ended 30 June 2013	Year ended 30 June 2012
Income			
Revenue from operations	**2.20**	12,517.82	8,907.22
Other income	**2.21**	378.84	300.86
Total revenue		**12,896.66**	**9,208.08**
Expenses			
Cost of materials	**2.22**	259.49	206.36
Employee benefit expenses	**2.23**	4,628.61	3,923.06
Finance costs	**2.24**	76.46	97.27
Depreciation and amortization expense	**2.10**	441.91	353.07
Other expenses	**2.25**	3,038.99	2,267.58
Total expenses		**8,445.46**	**6,847.34**
Profit before tax		**4,451.20**	**2,360.74**
Provision for tax			
Current tax		(924.55)	(481.68)
Less: MAT Credit Entitlement		84.78	65.48
Add: MAT Credit Entitlement written off		(70.35)	-
Net current tax		(910.12)	(416.20)
deferred tax credit		70.10	5.88
Profit for the year before impact of scheme of arrangement relating to earlier period		**3,611.18**	**1,950.42**
Impact of scheme of arrangement relating to earlier period	**2.36**	93.54	-
Profit for the year		**3,704.72**	**1,950.42**
Earnings per equity share of par value ₹ 2 each (computed on the basis of profit for the year)	**2.32**		
Basic (in ₹)		53.32	28.23
Diluted (in ₹)		52.45	27.72
Computed on the basis of profit for the year before impact of scheme of arrangement relating to earlier period			
Basic (in ₹)		51.98	28.23
Diluted (in ₹)		51.13	27.72
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 HCL Technologies Limited

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

per Tridibes Basu
Partner
Membership Number: 17401

Gurgaon, India
31 July 2013

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

Noida (UP), India
31 July 2013

Cash flow statement

(All amounts in crores of ₹)

	Year ended 30 June 2013	Year ended 30 June 2012
A. Cash flows from operating activities		
Profit before tax	4,451.20	2,360.74
Adjustment for:		
Depreciation and amortization	441.91	353.07
Interest income	(181.47)	(87.85)
Dividend income	(28.95)	(43.39)
Profit on sale of investments (net)	(15.51)	-
Profit on sale of long term investment in joint venture	(55.54)	-
Interest expenses	63.86	88.65
Profit on sale of fixed assets	(1.55)	(2.48)
Employee stock compensation expense	14.97	135.29
Other non cash charges	109.05	43.62
Operating profit before working capital changes	**4,797.97**	**2,847.65**
Movement in Working Capital		
(Increase)/decrease in trade receivables	(534.21)	(370.92)
(Increase)/decrease in inventories	19.19	25.30
(Increase)/decrease in loans and advances	(15.63)	7.68
(Increase)/decrease in other assets	(270.23)	(278.54)
Increase/ (decrease) in liabilities and provisions	852.94	346.51
Cash generated from operations	**4,850.03**	**2,577.68**
Direct taxes paid (net of refunds)	(808.42)	(417.58)
Net cash flow from operating activities before impact of scheme of arrangement relating to earlier period	**4,041.61**	**2,160.10**
Impact of scheme of arrangement relating to earlier period (refer note 2.36)	128.54	-
Net cash flow from operating activities (A)	**4,170.15**	**2,160.10**
B. Cash flows from investing activities		
Proceeds from bank deposit on maturity	2,001.09	839.00
Investments in bank deposits	(3,613.59)	(959.50)
Purchase of investments in mutual funds	(4,417.51)	(4,091.77)
Proceeds from sale of investments in mutual funds	4,478.44	4,140.11
Deposits placed with body corporate	(630.50)	(50.00)
Proceeds from maturity of deposits placed with body corporate	50.00	-
Investments in subsidiaries	(464.60)	(693.31)
Proceeds from repayment of loans given to subsidiaries	(0.01)	38.61
Loans given to subsidiary	-	(0.15)
Purchase of fixed assets, including intangible assets, Capital work in progress and capital advances	(487.08)	(693.73)
Proceeds from sale of fixed assets	6.50	2.73
Proceeds from sale of long term investment in joint venture	66.32	-
Dividend received	28.95	43.39
Interest received	161.68	107.62
Taxes paid	(46.13)	(25.76)
Net cash flow used in investing activities before impact of scheme of arrangement relating to earlier period	**(2,866.44)**	**(1,342.76)**
Impact of scheme of arrangement relating to earlier period (refer note 2.36)	(119.04)	-
Net cash flow used in investing activities (B)	**(2,985.48)**	**(1,342.76)**

Cash flow statement (Contd.)

(All amounts in crores of ₹)

	Year ended 30 June 2013	Year ended 30 June 2012
C. Cash flows from financing activities		
Proceeds from issue of share capital	33.60	39.13
Proceeds from long term borrowings	22.52	21.90
Repayment of long term borrowings	(10.99)	(3.74)
Repayment of debentures	(330.00)	(170.00)
Proceeds from loans taken from subsidiaries	-	171.00
Proceeds from short term borrowings	(1.74)	296.85
Repayment of short term borrowings	-	(294.93)
Dividend paid	(694.56)	(691.02)
Corporate dividend tax	(113.75)	(112.10)
Interest paid	(78.33)	(89.22)
Principal payment on finance lease obligations	(1.89)	(4.99)
Net cash flow used in financing activities before impact of scheme of arrangement relating to earlier period	**(1,175.14)**	**(837.12)**
Impact of scheme of arrangement relating to earlier period (refer note 2.36)	(0.23)	-
Net cash flows used in financing activities (C)	**(1,175.37)**	**(837.12)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	9.30	(19.78)
Effect of exchange differences on cash and cash equivalents held in foreign currency	(9.78)	(13.23)
Cash and cash equivalents at the beginning of the year	134.69	167.70
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 1 below)	**155.81**	**134.69**

Notes:

1. Cash and cash equivalents include the following:

Investor Education and Protection Fund-Unclaimed dividend *	2.36	2.37

   * The Company can utilize these balances only towards the settlement of the respective above mentioned liabilities.

2. Previous year figures have been regrouped and recast wherever necessary to conform to the current year classification.

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 2013

Noida (UP), India
31 July 2013

Notes to financial statements for the year ended 30 June 2013

(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 and infrastructure services. The Company was incorporated in India in November 1991. The Company leverages an extensive offshore infrastructure and its global network of offices in various countries and professionals to deliver solutions across select verticals including Financial Services, Manufacturing (Automotive, Aerospace, Hi-tech and Semi conductor), Telecom, Retail and Consumer packaged goods services , Media publishing and entertainment, Public services, Energy and utility, Healthcare, Travel, Transport and Logistics.

1. Significant Accounting Policies

a) Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). These financial statements have been prepared to comply in all material aspect with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the other relevant provisions of the Companies Act, 1956. 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 generally accepted accounting principles requires 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 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 repair and 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 less than ₹ 5,000 are fully depreciated in the year of purchase.

The management's estimates of the useful lives of the 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 to 5
Computers	2 to 4
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 2013

(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. Following 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 the 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 affect that useful life of an intangible asset exceed 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 the Software is as follows:

	Life (in years)
Software	3

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 for impairment annually 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 and 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 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.

Notes to financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

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 leases. 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 cost 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 asset 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 cost 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 higher of an asset's or cash generating unit's net selling price and 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 the 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 an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

k) Inventories

Stock in trade, stores and spares are valued at the lower of the cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Cost of stock in trade procured for specific projects is assigned by specific identification of individual costs of each item. Costs of stock in trade, that are interchangeable and not specific to any project is determined using the weighted average cost formula. Cost of stores and spare parts is determined using weighted average cost.

Notes to financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

l) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue from sale of goods and rendering of services is recognized when risk and reward of ownership have been transferred to the customer, the sale price is fixed or determinable and collectability is reasonably assured. The Company derives revenues primarily from:-

- Software services;
- 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) Infrastructure services

Revenue from sale of products is recognized when risk and reward of ownership have been transferred to the customer, the sales 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 infrastructure management services comprise 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 income 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 multi-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.

Notes to financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

Revenue from sales-type leases is recognized when risk of loss has 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 the accrual basis using the effective interest method.

iv) Others

Interest on the deployment of surplus funds is recognized using the time-proportion method, based on interest rates implicit in the transaction. Brokerage, commission and rent are recognized once the same are earned and accrued to the Company and dividend income is recognized when the right to receive the dividend is established.

m) Foreign currency translation

(i) *Initial Recognition*

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) *Conversion*

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(iii) *Exchange Differences*

Exchange differences arising on the settlement of monetary items, or on reporting such monetary items of Company 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 as expenses 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 there 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 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 2013
(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; income and expense items of the non-integral foreign operation are translated at monthly weighted average rates ,which approximate the actual exchange rates; and 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 expenses 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 the 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. The Company contributes to a scheme administered on its behalf by an insurance company in respect of superannuation, a defined contribution plan for applicable employees and such contributions are charged to the statement of profit and loss for each period of service rendered by the employees. 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 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 12 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 for each period of service rendered by the employees.

o) Taxation

Tax expense comprises current and deferred tax. Current income tax expense comprises taxes on income from operations in India and in foreign jurisdictions. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961 and tax expense relating to overseas operations is determined in accordance with tax laws applicable in countries where such operations are domiciled.

Deferred tax expense or benefit is recognized on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss . Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by the same governing taxation laws.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. In the 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.

Minimum Alternative tax (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 the 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 there is no longer convincing evidence to the effect that 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 are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects 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 equivalent

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short term deposits with banks with an original maturity of three months or less.

Notes to financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

2. Notes on accounts

2.1 Share Capital

	As at 30 June	
	2013	2012
Authorized		
750,000,000 (Previous year 750,000,000) equity shares of ₹ 2 each	150.00	150.00
Issued, subscribed and fully paid up		
696,869,857 (Previous year 693,283,476) equity shares ₹ 2 each	139.37	138.66

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.The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Interim dividends may be paid during the year on approval by the Board of Directors.

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			
	2013		2012	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
Number of shares at the beginning	693,283,476	138.66	688,688,524	137.74
Add: Shares issued on exercise of employee stock options	3,576,256	0.71	4,594,952	0.92
Add: Shares issued under scheme of arrangement (refer note 2.36)	10,125	0.00*	-	-
Number of shares at the end	696,869,857	139.37	693,283,476	138.66

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:-

	As at 30 June			
	2013		2012	
Name of the shareholder	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 *	311,964,982	44.77%	311,973,367	45.00%
HCL Holdings Private Limited	119,548,908	17.16%	119,548,908	17.24%

* Shares earlier held by Slocum Investment (Delhi) Private Limited vested into Vama Sundari Investments (Delhi) Private Limited with effect from 22 March 2013 (the effective date) pursuant to the Scheme of Amalgamation approved by High Court.

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				
	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.	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
Aggregate number and class of shares bought back	Nil	Nil	Nil	Nil	Nil

Notes to financial statements for the year ended 30 June 2013

(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 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

During the year ended 30 June 2012, the following schemes were in operation:

	ESOP1999	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 Compensation Committee.

The details of activity under various plan's have been summarized below:-

ESOP 1999	Year ended 30 June			
	2013		2012	
	No. of options	Weighted average exercise price (₹)	No. of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	536,630	655.52	745,947	650.99
Add: Granted during the year	-	-	-	-
Less: Forfeited during the year	-	-	-	-
Exercised during the year	(176,588)	638.71	(193,018)	640.18
Expired during the year	(35,620)	640.08	(16,299)	629.90
Options outstanding at the end of the year	**324,422**	**666.37**	**536,630**	**655.52**
Options exercisable at the end of the year	**324,422**		**536,630**	

The weighted average option price at the date of exercise for stock options exercised during the year was ₹ 2,690.93 (Previous year ₹ 1,755.22)

Notes to financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

ESOP 2000	Year ended 30 June			
	2013		2012	
	No. of options	Weighted average exercise price (₹)	No. of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	1,024,030	632.18	1,484,659	622.94
Add: Granted during the year	-	-	-	-
Less: Forfeited during the year	-	-	-	-
Exercised during the year	(313,419)	618.13	(382,084)	606.70
Expired during the year	(127,356)	625.65	(78,545)	581.54
Options outstanding at the end of the year	**583,255**	**641.16**	**1,024,030**	**632.18**
Options exercisable at the end of the year	**583,255**		**1,024,030**	

The weighted average option price at the date of exercise for stock options exercised during the year was ₹ 2,619.54 (Previous year ₹ 1,749.35)

ESOP 2004	Year ended 30 June			
	2013		2012	
	No. of options	Weighted average exercise price (₹)	No. of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	3,605,488	13.61	3,928,675	17.22
Add: Granted during the year	21,220	8.00	484,740	8.00
Less: Forfeited during the year	(962,180)	8.00	(230,480)	8.00
Exercised during the year	(404,057)	17.64	(573,636)	31.70
Expired during the year	(22,270)	88.72	(3,811)	640.17
Options outstanding at the end of the year *	**2,238,201**	**14.48**	**3,605,488**	**13.61**
Options exercisable at the end of the year	**295,101**		**464,828**	

The weighted average option price at the date of exercise for stock options exercised during the year was ₹ 2,942.59 (Previous year ₹ 1,704.10)

* Total number of outstanding options includes 1,549,700 as on 30 June 2013 (1,732,660 as on 30 June 2012) 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 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

Notes to financial statements for the year ended 30 June 2013
(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 2012 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	536,630	1.46	655.52
Employee Stock Option Plan -2000	₹ 260 - ₹ 470 ₹ 483 - ₹ 823	20,785 1,003,245	0.26 1.31	393.67 637.12
Employee Stock Option Plan -2004	₹ 8 ₹ 642 - ₹ 741	3,575,936 29,552	6.47 1.45	8.00 691.65

The weighted average fair value of stock options granted during the year was ₹ 1,914.35(Previous year ₹ 1,532.85). The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

	Year ended 30 June	
	2013	2012
Weighted average share price	324.74	321.95
Exercise Price	₹ 2.00	₹ 2.00
Expected Volatility	36.88%	37.06%
Historical Volatility	36.88%	37.06%
Life of the options granted (vesting and exercise period) in years	2.96 - 5.00 Years	1.71 - 6.00 Years
Expected dividends	₹ 8.00	₹ 8.00
Average risk-free interest rate	7.78%	7.78%
Expected dividend rate	2.46%	2.48%

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	
		2013	2012
Net income- As reported		**3,704.72**	**1,950.42**
Add: Employee stock compensation under intrinsic value method		14.97	135.29
Less: Employee stock compensation under fair value method		16.79	130.81
Net income - Proforma		**3,702.90**	**1,954.90**
Earnings per share (₹) refer note 2.32			
Basic	- As reported	53.32	28.23
	- Proforma	53.30	28.29
Diluted	- As reported	52.45	27.72
	- Proforma	52.43	27.78

Notes to financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

2.2 Reserves and Surplus

	As at 30 June	
	2013	2012
Securities premium account		
Balance as per last financial statements	1,769.76	1,654.23
Add: Exercise of stock option by employees	93.59	115.53
Add: Adjustment pursuant to implementation of scheme of arrangement (refer note 2.36)	0.48	-
	1,863.83	**1,769.76**
Debenture redemption reserve		
Balance as per last financial statements	630.00	590.00
Add: amount transferred from surplus in the statement of profit and loss	100.00	210.00
Less: amount transferred to statement of profit and loss due to redemption of debentures	(330.00)	(170.00)
	400.00	**630.00**
Share options outstanding		
Balance as per last financial statements	555.08	591.26
Add: Options granted during the year	5.68	74.53
Less: Options forfeited during the year	(166.43)	(31.61)
Less: Transferred to securities premium on exercise of stock options	(62.94)	(79.10)
	331.39	**555.08**
Less:- deferred employee compensation cost	(116.47)	(292.19)
	214.92	**262.89**
Hedging reserve account (net of deferred tax) (refer note 2.31)		
Balance as per last financial statements	(385.57)	19.24
Add: Movement during the year (net)	(102.95)	(404.81)
	(488.52)	**(385.57)**
Foreign currency translation reserve		
Balance as per last financial statements	(6.90)	0.37
Add: Exchange difference during the year on net investment in non-integral operations	4.17	(7.27)
	(2.73)	**(6.90)**
General Reserve		
Balance as per last financial statements	1,009.20	814.16
Add: amount transferred from surplus in the statement of profit and loss	380.00	195.04
	1,389.20	**1,009.20**
Capital Reserve		
Balance as per last financial statements	-	-
Add: Adjustment pursuant to implementation of Scheme of Arrangement (refer note 2.36)	119.54	-
	119.54	**-**
Surplus in the statement of profit and loss		
Balance as per last financial statements	3,185.77	2,435.71
Add: Profit for the year	3,704.72	1,950.42
Add: Amount transferred from debenture redemption reserve due to redemption of debentures	330.00	170.00
Add: Surplus acquired under the scheme of arrangement (refer note 2.36)	831.81	-
Amount available for appropriation	**8,052.30**	**4,556.13**
Less: Appropriations		
Interim dividend [amount per share ₹ 6 (Previous year ₹ 8)]	416.94	552.98
Proposed final dividend [including ₹ 0.30 crores (previous year ₹ 0.29 crores) paid for previous year] [amount per share ₹ 6 (Previous year ₹ 4)]	418.42	277.60
Total dividend	**835.36**	**830.58**
Corporate dividend tax [including ₹ 0.05 crores (previous year ₹ 0.05 crores) paid for previous year]	139.82	134.74
Transfer to general reserve	380.00	195.04
Transfer to debenture redemption reserve	100.00	210.00
Net surplus in the statement of profit and loss	**6,597.12**	**3,185.77**
	10,093.36	**6,465.15**

Notes to financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

2.3 Share application money pending allotment

	As at 30 June	
	2013	2012
- number of shares proposed to be issued	356,008	211,332
- the amount of premium	4.94	2.73
- 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 2013	30 June 2012	30 June 2013	30 June 2012
(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	-	-
8.20% Secured redeemable non convertible debentures of ₹ 10 lacs each (repayable on 25 August 2012)	-	-	-	330.00
From banks				
Long term loans (refer note 2 below)	32.33	23.66	9.68	5.87
From others				
Finance lease obligations (refer note 3 below and Note 2.26(i))	0.33	1.99	1.76	5.08
	532.66	**525.65**	**11.44**	**340.95**
Amount disclosed under the head "other current liabilities" (note 2.8)	**-**	**-**	**(11.44)**	**(340.95)**
	532.66	**525.65**	**-**	**-**

Note:-

1. These debentures have a maturity period ranging from three years to five years and are secured against computers, softwares, plant and machinery, receivables from subsidiaries and specified land and building of the Company. During the year the Company has paid ₹ 330 crores on redemption of 8.20% series Secured redeemable non convertible debentures.
2. Secured by hypothecation of gross block of vehicles of ₹ 68.80 crores (Previous year ₹ 43.86 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. Obligations under finance lease are secured by vehicles taken on lease at interest rates ranging from 8% to 11%.

2.5 Other long term liabilities

	As at 30 June	
	2013	2012
Income received in advance	141.62	67.15
Income received in advance- related parties	35.14	1.07
Liability for expenses	15.36	13.70
Unrealized loss on forward covers	244.80	267.71
	436.92	**349.63**

Notes to financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

2.6 Long term provisions

	As at 30 June	
	2013	2012
Provision for employee benefits	165.98	163.18
	165.98	**163.18**

2.7 Short term borrowings

	As at 30 June	
	2013	2012
Unsecured		
Bank overdraft	0.48	2.22
Loans from related parties	82.00	171.00
	82.48	**173.22**

2.8 Trade payable and other current liabilities

	As at 30 June	
	2013	2012
Trade payables (refer note 2.33 for details of dues to micro and small enterprises)	112.70	96.32
Trade payables-related parties	220.59	284.00
	333.29	**380.32**
Other current liabilities		
Current maturities of long term loans	11.44	340.95
Interest accrued but not due on borrowings	2.51	5.26
Interest accrued but not due on borrowings- related parties	0.55	1.23
Investor education and protection fund (shall be credited by following amounts as and when due) - Unclaimed dividends	2.36	2.37
Advances received from customers	43.43	29.12
Advances received from customers- related parties	7.36	2.98
Capital Accounts Payables [includes supplier credit ₹ 297.40 (previous year ₹ Nil)]	390.96	98.93
Capital Accounts Payables-Related parties [includes supplier credit ₹ 7.12 (previous year ₹ Nil)]	7.86	2.57
Unrealized loss on forward cover	434.40	209.80
Income received in advance	122.91	83.96
Income received in advance-related parties	435.07	227.51
Accrued salaries and benefits		
Employee bonuses accrued	384.40	224.75
Other employee costs	168.69	142.68
Other liabilities		
Liabilities for expenses	562.81	357.31
Liabilities for expenses-related parties	211.60	103.61
Supplier Credit	80.55	-
Supplier Credit -related parties	45.26	-
Withholding and other taxes payable	64.46	44.85
Book Overdraft	1.83	5.96
	2,978.45	**1,883.84**

Notes to financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

2.9 Short term provisions

	As at 30 June	
	2013	2012
Provision for employee benefits	174.62	123.45
Proposed dividend on equity shares	418.12	277.31
Taxes on dividend	71.06	44.99
Income taxes (refer note 1 below)	526.65	347.49
Wealth tax (refer note 2 below)	1.36	1.37
	1,191.81	**794.61**

Notes:-

1. Net of advance income tax of ₹ 2,192.12 crores (Previous year ₹ 1,113.29 crores).
2. Net of advance wealth tax of ₹ 5.31 crores (Previous year ₹ 3.96 crores).

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 2012	Additions	Net additions of earlier period #	Transfer on scheme of arrange-ment*	Deletions/ Adjust-ments	Translation exchange differences	As at 30 June 2013	As at 1 July 2012	Charge for the year	Net additions of earlier period #	Transfer on scheme of arrange-ment*	Deletions/ Adjust-ments	Translation exchange differences	As at 30 June 2013	As at 30 June 2013	As at 30 June 2012
Tangible Assets																
Freehold land	80.89	-	-	-	-	-	80.89	-	-	-	-	-	-	-	80.89	80.89
Leasehold land	126.44	37.48	-	-	-	-	163.92	10.48	1.65	-	-	-	-	12.13	151.79	115.96
Buildings	856.51	313.07	-	-	-	-	1,169.58	124.81	48.35	-	-	-	-	173.16	996.42	731.70
Plant and machinery	548.00	135.51	-	-	13.50	0.21	670.22	344.89	93.04	-	-	13.49	0.12	424.56	245.66	203.11
Office Equipment	128.03	20.96	1.13	64.97	12.09	0.18	203.19	94.77	20.37	1.08	57.38	11.99	0.16	161.78	41.41	33.26
Computers	869.44	120.99	4.86	65.94	187.44	0.36	874.14	604.60	170.53	3.24	43.19	186.68	0.25	635.13	239.01	264.84
Furniture and fittings	411.91	45.52	-	29.26	29.48	0.43	457.65	335.55	37.04	0.14	28.77	29.46	0.31	372.34	85.31	76.36
Vehicles - owned	49.64	30.32	-	0.08	6.57	-	73.46	12.65	11.95	-	0.08	2.00	-	22.69	50.77	36.99
- leased	21.56	1.15	-	2.18	11.12	-	13.77	12.28	3.43	-	0.58	8.21	-	8.08	5.69	9.28
Total (A)	**3,092.42**	**705.00**	**5.99**	**162.43**	**260.20**	**1.18**	**3,706.82**	**1,540.03**	**386.36**	**4.46**	**130.00**	**251.83**	**0.84**	**1,809.87**	**1,896.95**	**1,552.39**
Intangible Assets																
Goodwill	1.98	-	-	-	-	-	1.98	1.98	-	-	-	-	-	1.98	-	-
Software	402.86	40.36	2.28	65.36	73.79	0.01	437.08	341.54	55.55	2.68	53.86	73.79	0.01	379.85	57.23	61.32
Total (B)	**404.84**	**40.36**	**2.28**	**65.36**	**73.79**	**0.01**	**439.06**	**343.52**	**55.55**	**2.68**	**53.86**	**73.79**	**0.01**	**381.83**	**57.23**	**61.32**
Total (A)+(B)	**3,497.26**	**745.36**	**8.27**	**227.79**	**333.99**	**1.19**	**4,145.88**	**1,883.55**	**441.91**	**7.14**	**183.86**	**325.62**	**0.85**	**2,191.70**	**1,954.18**	**1,613.71**
Previous year	2,880.57	677.25	-	-	61.27	0.71	3,497.26	1,584.64	353.07	-	-	54.65	0.49	1,883.55	1,613.71	1,295.93

* Refer note 2.36

\# Earlier period refer 1 April 2012 to 30 June 2012 (refer note 2.36)

Notes to financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

2.11 Investments

	As at 30 June	
	2013	2012
Non-current investments- 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 12,804,909 equity shares of ₹ 10 each), in HCL Comnet Systems & Services Limited (refer note 2.36)	11.22	24.09
949,900 (Previous year Nil) equity shares of ₹ 10 each, in HCL Comnet Limited (refer note 1 below and note 2.36)	54.94	-
HCL Technologies (Shanghai) Limited (Issued & registered capital)	9.95	9.95
939,440 (Previous year 939,440) equity shares of SGD 1 each, in HCL Singapore Pte. Limited	5.25	5.25
30,000,000 (previous year Nil) equity shares of Pound 1 each fully paid up, in HCL EAS Limited (refer note 1 below and note 2.36)	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 190,000,000) Preference shares of USD 1 each in HCL Bermuda Limited, Bermuda	1,424.09	959.49
In Joint venture trade (unquoted), fully paid up		
Nil (Previous year 10,780,000) shares of ₹ 10 each, in NEC HCL System Technologies Limited (refer note 2 below and note 2.35)	-	10.78
Aggregate amount of unquoted investments (A)	**3,559.72**	**2,839.03**
(Non trade and quoted)		
Investment in bonds(refer note 3 and 5 (i) below)	50.00	94.64
Aggregate amount of quoted investments (B)	**50.00**	**94.64**
Aggregate amount of non- current investments (A+B)	**3,609.72**	**2,933.67**
Current investments		
(Non trade and quoted)		
Investment in bonds(refer note 3 and 5 (i) below)	44.34	-
(At lower of cost and fair value non trade and unquoted)		
Investment in mutual fund(refer note 4 and 5(ii) below)	401.64	364.28
Aggregate amount of current investments	**445.98**	**364.28**

Note:-

1. Acquired pursuant to the scheme of amalgamation of HCL Comnet Systems & Services Limited with the Company. (refer note 2.36)
2. During the year, the Company has sold to NEC Corporation Limited its 49% stake in the joint venture "NEC HCL System Technologies Limited" at a gross consideration of USD 12 Mn (₹ 66.32 crores) and accordingly the Company has recognized a gain of ₹ 55.54 crores in the statement of profit and loss during the year.
3. Market value of current investments and non current investments in bonds as on 30 June 2013 is ₹ 43.94 (Previous year ₹ nil) and ₹ 48.42 crores (Previous year ₹ 91.54 crores) respectively.
4. Net asset value of current investments in mutual funds as on 30 June 2013 ₹ 405.26 crores (Previous year ₹ 364.28 crores).
5. The details of investments in mutual funds/ bonds are provided below:

i) Details of Investments in bonds - Other than trade and quoted

	Face Value	Balance as at 30 June 2013		Balance as at 30 June 2012	
		Units	Amount	Units	Amount
Indian Railway Finance 6% 2015 (Series 68)	100,000	5,000	50.00	5,000	50.00
IIFCL 6.85% 2014 (Tax Free Bonds)	100,000	4,418	44.34	4,418	44.64
Total			**94.34**		**94.64**

Notes to financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

ii) Details of Investments in mutual funds - non trade and unquoted

	Face Value	Balance as at 30 June 2013		Balance as at 30 June 2012	
		Units	Amount	Units	Amount
Daily Dividend					
ICICI Prudential Institutional Liquid Plan-Super Institutional	100			7,150,262	71.52
TATA Liquid Fund-Super High Investment Plan	1,000			598,727	66.73
Kotak Liquid fund-IP	10			45,130,252	55.19
SBI Premier Liquid Fund Super IP	1,000			591,808	59.37
UTI Liquid Fund-Cash Plan	1,000			1,093,472	111.47
Growth Fund					
DSP BlackRock Liquidity Fund-IP	1,000	99,326	17.01		
HDFC Liquid Fund	10	44,969,068	106.00		
ICICI Prudential Institutional Liquid Plan-Super Institutional	100	9,612,099	170.00		
UTI Liquid Fund-Cash Plan	1,000	533,232	101.61		
TATA Liquid Fund Plan	1,000	27,323	6.02		
SBI Premier Liquid Fund Super IP	1,000	5,317	1.00		
Total			**401.64**		**364.28**

2.12 Deferred tax assets (net)

	As at 30 June	
	2013	2012
Deferred tax assets:		
Accrued employee costs	110.15	63.42
Unrealized loss on derivative financial instruments	142.75	93.94
Depreciation and amortization	67.66	48.36
Others	56.68	32.89
Gross deferred tax assets (A)	**377.24**	**238.61**
Deferred tax liabilities:		
Others	0.55	1.46
Gross deferred tax liabilities (B)	**0.55**	**1.46**
Net deferred tax assets (A-B)	**376.69**	**237.15**

2.13 Long term loans and advances

	As at 30 June	
	2013	2012
Unsecured, considered good		
Capital advances	161.17	60.30
Capital advances-related parties	1.08	0.58
Security deposits	170.73	161.78
Others		
MAT credit entitlement	343.35	328.92
Inter corporate deposit with HDFC Limited	-	50.00
Prepaid expenses	27.91	19.96
Finance lease receivables (refer note 2.26 (iii))	59.52	-
Loans and advances to employees	0.33	0.13
	764.09	**621.67**

Notes to financial statements for the year ended 30 June 2013
(All amounts in crores of ₹, except share data and as stated otherwise)

2.14 Other non- current assets

	As at 30 June	
	2013	**2012**
Unsecured considered good unless otherwise stated		
Deferred cost	132.63	109.25
Bank deposits more than 12 months (refer note 1 below)	0.01	110.02
Interest receivable	-	23.30
Unrealized gain on derivative financial instruments	0.06	-
	132.70	**242.57**

Note:
1. Pledged with banks as security for guarantees and letter of credit ₹ 0.01 crores(Previous year ₹ 0.01 crores)

2.15 Inventories

	As at 30 June	
	2013	**2012**
Inventories		
Stock in trade (refer note 2.37)	80.29	88.12
Stores and spares	1.55	11.87
	81.84	**99.99**

2.16 Trade receivables (Unsecured)

	As at 30 June	
	2013	**2012**
(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	62.95
Unsecured considered doubtful	10.46	4.76
	123.84	**67.71**
Provision for doubtful receivables	(10.46)	(4.76)
Total (A)	**113.38**	**62.95**
(b) Other receivables		
Unsecured considered good	2,595.83	1,929.47
Unsecured considered doubtful	133.56	60.59
	2,729.39	**1,990.06**
Provision for doubtful receivables	(133.56)	(60.59)
Total (B)	**2,595.83**	**1,929.47**
Total (A)+(B) (refer note 1 below)	**2,709.21**	**1,992.42**

Note:
1 Includes receivables from related parties amounting to ₹ 1,593.13 (Previous year ₹ 1,068.78)

Notes to financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

2.17 Cash and bank balances

	As at 30 June	
	2013	2012
(a) Cash and cash equivalent		
Balance with banks		
- in current accounts	29.02	47.19
Cheques in hand	21.57	13.78
Remittances in transit	102.86	71.35
Unclaimed dividend account	2.36	2.37
	155.81	**134.69**
(b) Other bank balances		
Deposits with original maturity of more than 3 months but less than 12 months	2,653.02	906.51
	2,808.83	**1,041.20**

2.18 Short- term loans and advances

	As at 30 June	
	2013	2012
Unsecured , considered good		
Loans and advances to related parties	469.56	153.31
Others		
Security deposits	10.30	9.39
Inter corporate deposit with HDFC Limited	680.50	50.00
Advances to suppliers	36.65	40.31
Prepaid expenses	64.95	50.87
Loans and advances to employees	21.91	11.46
Finance lease receivables (refer note 2.26 (iii))	17.12	-
Service tax receivable	149.64	103.83
Other loans and advances	60.88	9.54
	1,511.51	**428.71**
Unsecured, considered doubtful		
Loans and advances to employees	37.26	5.76
Loans and advances to others	1.87	3.53
	39.13	**9.29**
Less: Provision for doubtful advances	(39.13)	(9.29)
	1,511.51	**428.71**

2.19 Other current assets

	As at 30 June	
	2013	2012
Unbilled revenue	493.56	355.20
Unbilled revenue-related parties	396.94	271.09
Deferred cost	114.10	107.37
Deferred cost-related parties	2.50	6.04
Interest receivable	69.22	7.78
Interest receivable-related parties	0.07	0.01
Unrealized gain on derivative financial instruments	-	4.62
	1,076.39	**752.11**

Notes to financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

2.20 Revenue from operations

	Year ended	
	30 June 2013	30 June 2012
Sale of services	12,221.98	8,680.89
Sale of hardware and software (refer note 2.37)	295.84	226.33
	12,517.82	**8,907.22**

2.21 Other income

	Year ended	
	30 June 2013	30 June 2012
Interest income		
- On fixed deposits	175.34	76.44
- On investment	6.03	6.03
- Others	0.10	5.38
Profit on sale of current investments	15.51	-
Profit on sale of long term investment in joint venture (refer note 2.35)	55.54	-
Dividends from current investments	20.67	27.47
Dividends from subsidiary companies	8.28	15.92
Profit on sale of fixed assets (refer note 1 below)	1.55	2.48
Exchange differences (net)	60.33	156.20
Miscellaneous income	35.49	10.94
	378.84	**300.86**

Note:

1. Net of loss on sale of fixed assets ₹ 0.28 crores (Previous year ₹ 0.36 crores)

2.22 Cost of materials (refer note 2.37)

	Year ended	
	30 June 2013	30 June 2012
Opening stock	88.12	113.97
Purchase of traded goods	251.66	180.51
	339.78	**294.48**
Closing stock	(80.29)	(88.12)
	259.49	**206.36**

2.23 Employee benefit expenses

	Year ended	
	30 June 2013	30 June 2012
Salaries, wages and bonus	4,406.99	3,631.47
Contribution to provident fund and other funds	165.81	125.42
Staff welfare expenses	40.84	30.88
Employee stock compensation expense	14.97	135.29
	4,628.61	**3,923.06**

Notes to financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

2.24 Finance cost

	Year ended	
	30 June 2013	30 June 2012
Interest		
-on debentures	48.02	73.03
-on loans from banks	3.85	3.13
-on leased assets	1.50	3.62
-others	11.98	7.45
Exchange differences to the extent considered as an adjustment to borrowing costs	-	5.04
Bank charges	11.11	5.00
	76.46	**97.27**

2.25 Other expenses

	Year ended	
	30 June 2013	30 June 2012
Rent	205.13	193.73
Power and fuel	201.30	154.23
Insurance	11.67	6.77
Repairs and maintenance		
- Plant and machinery	63.06	52.40
- Buildings	43.07	28.58
- Others	94.11	82.00
Communication costs	109.36	77.18
Books and periodicals	13.21	12.08
Travel and conveyance	619.35	504.61
Business promotion	12.71	11.20
Legal and professional charges (refer note 2.39)	70.58	59.22
Outsourcing costs	1,022.13	676.47
Software license fee	117.62	125.49
Printing and stationery	8.50	10.19
Rates and taxes	54.85	34.13
Advertising and publicity	18.29	10.62
Provision for doubtful advances / advances written off	29.84	6.53
Donations	0.32	4.04
Recruitment, training and development	55.99	52.25
Provision for doubtful debts/ bad debts written off	75.23	43.05
Miscellaneous expenses	212.67	122.81
	3,038.99	**2,267.58**

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 2013	Interest included in minimum lease payments	Present value of minimum lease payments
Not later than one year	2.07 (6.00)	0.31 (0.92)	1.76 (5.08)
Later than one year and not later than 5 years	0.34 (2.31)	0.01 (0.32)	0.33 (1.99)
	2.41	**0.32**	**2.09**
	(8.31)	(1.24)	(7.07)

Previous year figures are in brackets.

Notes to financial statements for the year ended 30 June 2013

(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 ₹ 204.66 crores (Previous year ₹ 180.32 crores). The lease equalization reserve amount for non-cancellable operating lease payable in future years and accounted for by the Company is ₹ 93.92 crores (previous year ₹ 78.17 crores). Future minimum lease payments and the payment profile of non-cancellable operating leases are as follows:

	Year ended 30 June	
	2013	2012
Not later than one year	189.17	156.87
Later than one year but not later than five years	531.08	439.48
Later than five years	589.14	592.23
	1,309.39	**1,188.58**

iii) Finance leases : In case of assets given on lease

The Company has given networking equipments to its customers on a finance lease basis. The future lease receivables in respect of assets given on finance lease are as follows:

	Total minimum lease payments receivable as on 30 June 2013	Interest included in minimum lease payments receivable	Present value of minimum lease payments receivable
Not later than one year	21.31 (-)	4.19 (-)	17.12 (-)
Later than one year and not later than 5 years	74.17 (-)	14.65 (-)	59.52 (-)
	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 or services and serves different markets. The analysis of geographical segments is based on the areas in which major divisions of the Company operate.

(i) Business Segments

The operations of the Company predominately relate to providing software services, infrastructure services including sale of networking equipment and business processing outsourcing services, which are in the nature of customer contact centres and technical help desks. 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 service 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.

Revenue in relation to service segments is categorized based on items that are individually identifiable to that segment, while expenditure is categorized in relation to the associated turnover of the segment. Assets and liabilities are also identified to service segments.

(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.

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.

Notes to financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

(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 principally 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 payable, other liabilities. Segment liabilities do not include share capital, reserves, borrowings, 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.

Financial information about the business segments for the year ended 30 June 2013 is as follows:

	Software services	Business process outsourcing services	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)
Interest expense				(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 & 2.43)				93.54
Profit for the year				**3,704.72**
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

Notes to financial statements for the year ended 30 June 2013
(All amounts in crores of ₹, except share data and as stated otherwise)

Financial information about the business segments for the year ended 30 June 2012 is as follows:

	Software services	Business process outsourcing services	Infrastructure services	Total
Segment Revenues	6,793.42	575.55	1,538.25	**8,907.22**
Segment results	1,860.23	125.49	363.76	**2,349.48**
Unallocated corporate expenses				(192.33)
Interest expense				(97.27)
Other income				213.02
Interest income				87.84
Net profit before taxes				**2,360.74**
Tax Expense				410.32
Net profit after taxes				**1,950.42**
Assets				
Segment assets	3,740.13	258.96	1,075.91	5,075.00
Unallocated corporate assets				5,802.03
Total assets				**10,877.03**
Liabilities				
Segment liabilities	1,512.37	95.49	510.48	2,118.34
Unallocated corporate liabilities				2,152.11
Total liabilities				**4,270.45**
Capital expenditure				
Capital expenditure	536.03	51.96	87.04	675.03
Unallocated corporate capital expenditure				15.97
Total				**691.00**
Significant non-cash adjustments				
Depreciation	251.29	19.87	63.47	334.63
Unallocated corporate depreciation				18.44
Total				**353.07**
Provision/written off for doubtful debts and advances				49.58

Segment revenue from customers by geographic area based on location of the customers is as follows:

	Year ended 30 June 2013	Year ended 30 June 2012
America	7,834.32	5,205.92
Europe	3,132.66	2,454.46
India	563.56	460.17
Others	987.28	786.67
	12,517.82	**8,907.22**

Carrying value of segment assets by geographic area based on geographic location of assets is as follows:

	Carrying amount of segment assets	
	30 June 2013	30 June 2012
America	1,414.08	1,164.49
Europe	861.95	599.34
India	13,352.39	8,892.12
Others	330.91	221.08
	15,959.93	**10,877.03**

Notes to financial statements for the year ended 30 June 2013

(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 2013	**30 June 2012**
America	-	-
Europe	2.44	0.08
India	478.06	689.74
Others	0.08	1.18
	480.58	**691.00**

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

Step down Subsidiaries

HCL Great Britain Limited
HCL (Netherlands) BV
HCL Belgium NV
HCL GmbH
HCL Singapore Pte. Limited
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 Holdings GmbH
HCL Global Processing Services Limited
HCL BPO Services (NI) Limited
HCL (Malaysia) Sdn. Bhd.
HCL Technologies Solutions Limited (formerly known as HCL EAI Services 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
Axon Solutions Schweiz Gmbh
Axon Solutions Pty. Limited
Axon Solutions Inc.
Axon Acquisition Company, Inc.
Axon Solutions Limited
Axon Solutions 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.
Axon Solution (Canada) Inc.*
HCL Argentina s.a.
HCL Mexico S. de R.L.
HCL Technologies Romania s.r.l.
HCL Hungary Limited
HCL Latin America Holding LLC
HCL (Brazil) Technologia 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. (Spain)
Anzospan Investments Pty Limited
HCL Investments (UK) Limited
HCL America Solutions Inc. (Formerly known as HCL Technologies Product Design Services inc.)

* HCL Technologies Canada Inc. and Axon Solution (Canada) Inc. amalgamated w.e.f. 1 July 2012 and formed a new entity Axon Solutions (Canada) Inc.

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 (incorporated w.e.f 22 February 2013)

b) Related parties with whom transactions have taken place during the year

Direct Subsidiaries

HCL Comnet Systems & Services Limited
HCL Comnet Limited
HCL Bermuda Limited
HCL Technologies (Shanghai) Limited
HCL Eagle Limited

Step down subsidiaries

HCL Great Britain Limited
HCL (Netherlands) BV
HCL Belgium NV
HCL GmbH
HCL Singapore Pte. Limited
HCL Sweden AB
HCL Italy SLR

Notes to financial statements for the year ended 30 June 2013
(All amounts in crores of ₹, except share data and as stated otherwise)

HCL Australia Services Pty. Limited
HCL (New Zealand) Limited
HCL Hong Kong SAR Limited
HCL Japan Limited
HCL America Inc.
HCL (Malaysia) Sdn. Bhd.
HCL Technologies Solutions Limited (formerly known as HCL EAI Services Limited)
HCL Poland sp. z o.o
HCL EAS Limited
HCL Insurance BPO Services Limited
Axon Solutions (Canada) Inc.
Axon Solutions Pty. Limited
Axon Solutions Inc.
Axon Solutions Limited
Axon Solutions Sdn. Bhd.
Axon Solutions (Shanghai) Co. Limited
HCL Axon (Proprietary) Limited
HCL Argentina s.a.
HCL Mexico S. de R.L.
HCL Hungary Limited
HCL (Brazil) Technologia 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. (Spain)
HCL Holdings Gmbh
HCL Technologies Romania s.r.l.
HCL America Solutions Inc. (Formerly known as HCL Technologies Product Design Services inc.)

Jointly controlled entities

NEC HCL System Technologies Limited, India (up to 26 April, 2013)

Associates

Statestreet HCL Services (India) Private Limited

Significant influence

Vama Sundari Investments (Delhi) Private Limited (Slocum investments (Delhi) Private Limited merged with Vama Sundari Investments (Delhi) Private Limited w.e.f 22 March 2013)
HCL Corporation Private Limited
HCL Infosystems Limited
HCL Holding Private Limited
HCL Insys Pte Ltd., Singapore
Digilife Distribution and Marketing Services Limited

c) **Key Management Personnel**
Shiv Nadar, Chairman and Chief Strategy Officer
Vineet Nayar, Vice-Chairman and Joint Managing Director

Notes to financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

d) Transactions with related parties during the year

	Revenues		Operating & 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	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Subsidiaries										
-HCL America Inc.	4,751.21	3,349.84	435.83	302.96	0.16	0.17	0.10	0.44	4.86	-
-HCL Great Britain Limited	767.03	646.32	114.55	83.99	-	-	-	-	0.45	-
-HCL Australia Services Pty. Limited	484.38	379.52	4.05	-	-	-	-	-	0.02	-
-HCL Bermuda Limited	-	-	-	-	-	-	-	0.56	-	-
-HCL Comnet Limited	3.79	-	90.27	30.55	7.37	3.56	-	-	-	-
-HCL Sweden AB	161.50	101.03	16.99	1.29	-	-	-	-	-	-
-HCL Netherlands B.V.	154.68	84.99	14.74	3.98	-	-	-	-	0.43	-
-HCL Insurance BPO Services Limited	-	-	-	-	-	-	-	-	14.05	-
-HCL Comnet Systems & Services Limited	-	-	-	-	-	2.86	-	-	-	-
-Others	671.02	389.24	279.85	260.36	-	0.18	-	0.01	0.51	-
Total (A)	**6,993.61**	**4,950.95**	**956.28**	**683.13**	**7.53**	**6.77**	**0.10**	**1.01**	**20.32**	**-**
Jointly controlled entities										
-NEC HCL System Technologies Limited	5.90	4.50	-	-	-	-	-	-	-	-
-Statestreet HCL Services (India) Private Limited	2.95	2.44	-	-	-	-	-	-	-	-
Total (B)	**8.85**	**6.94**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Significant influence										
-HCL Infosystems Limited	8.60	6.14	81.87	86.95	-	-	-	-	-	-
-Others	-	-	0.27	0.46	-	-	-	-	-	-
Total (C)	**8.60**	**6.14**	**82.14**	**87.41**	**-**	**-**	**-**	**-**	**-**	**-**
Total (A+B+C)	**7,011.06**	**4,964.03**	**1,038.42**	**770.54**	**7.53**	**6.77**	**0.10**	**1.01**	**20.32**	**-**

d) Transactions with related parties during the year (continued)

	Dividend income		Purchase of capital equipments		Investments		Dividend Paid		Interest on Debentures	
	Year ended 30 June		Year ended 30 June		Year ended 30 June		Year ended 30 June		Year ended 30 June	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Subsidiaries										
-HCL Comnet Systems & Services Limited	-	-	-	-	(12.87)	0.38	-	-	-	-
-HCL Comnet Limited	-	-	8.96	2.34	-	-	-	-	-	-
-HCL Bermuda Limited	-	-	-	-	464.60	693.07	-	-	-	-
-HCL Singapore Pte. Limited	8.28	15.75	-	0.81	-	-	-	-	-	-
-DSI Financial Solutions Pte Limited, Singapore	-	-	-	-	-	(0.23)	-	-	-	-
-HCL Eagle Limited	-	-	-	-	-	0.09	-	-	-	-
-Others	-	0.17	-	-	-	-		-	-	-
Total (A)	**8.28**	**15.92**	**8.96**	**3.15**	**453.53**	**693.31**	**-**	**-**	**-**	**-**
Jointly controlled entities										
-NEC HCL System Technologies Limited	-	-	-	-	(10.78)	-	-	-	-	-
	-	**-**	**-**	**-**	**(10.78)**	**-**	**-**	**-**	**-**	**-**
Significant influence										
-HCL Infosystems Limited	-	-	19.70	78.45	-	-	-	-	-	-
-Vama Sundari investments (Delhi) Private Limited	-	-	-	-	-	-	311.97	322.86	-	-
-HCL Holding Private Limited.	-	-	-	-	-	-	119.55	120.12	-	-
- HCL Corporation Private Limited	-	-	-	-	-	-	-	-	0.48	3.28
- Others	-	-	1.99	11.38	-	-	-	-	-	-
Total (B)	**-**	**-**	**21.69**	**89.83**	**-**	**-**	**431.52**	**442.98**	**0.48**	**3.28**
Total (A+B)	**8.28**	**15.92**	**30.65**	**92.98**	**442.75**	**693.31**	**431.52**	**422.98**	**0.48**	**3.28**

Notes to financial statements for the year ended 30 June 2013
(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		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	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Subsidiaries										
-HCL Comnet Limited	-	-	-	-	-	82.00	-	-	0.33	0.33
-HCL Comnet Systems & Services Limited	-	-	-	-	-	89.00	-	-	-	2.58
-HCL Global Processing Limited	-	(0.15)	-	0.15	-	-	-	-	-	-
-HCL Bermuda Limited	-	(38.46)	-	-	-	-	-	-	-	-
-HCL Eagle Limited	-	-	-	-	-	-	-	-	2.18	-
Total (A)	**-**	**(38.61)**	**-**	**0.15**	**-**	**171.00**	**-**	**-**	**2.51**	**2.91**
Jointly controlled entities										
Statestreet HCL Services (India) Private Limited	-	-	0.01	-	-	-	-	-	-	-
	-	**-**	**0.01**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Significant influence										
-HCL Infosystems Limited	-	-	-	-	-	-	1.55	1.50	-	-
-others	-	-	-	-	-	-	0.80	0.59	-	-
Total (B)	**-**	**-**	**-**	**-**	**-**	**-**	**2.35**	**2.09**	**-**	**-**
Total (A+B)	**-**	**(38.61)**	**0.01**	**0.15**	**-**	**171.00**	**2.35**	**2.09**	**2.51**	**2.91**

Transactions with Key Managerial personnel during the year

	Year ended 30 June	
	2013	2012
Chairman and Chief Strategy Officer		
i) Remuneration	11.90	5.01
Vice Chairman and Joint Managing Director		
i) Remuneration	8.29	8.43
ii) Dividend paid (includes shares held through family trust)	0.20	2.10
iii) Stock options		
- Exercised - No's (options)	2,50,000	2,50,000
- Exercise price - ₹	8	8

Notes to financial statements for the year ended 30 June 2013
(All amounts in crores of ₹, except share data and as stated otherwise)

e) Outstanding balances with related parties

	Trade receivables As at 30 June		Trade payables As at 30 June		Income received in advance As at 30 June	
	2013	2012	2013	2012	2013	2012
Subsidiaries						
-HCL America Inc.	984.78	646.48	131.36	117.66	232.55	135.88
-HCL Great Britain Limited	231.74	92.82	22.86	9.51	151.54	58.02
-HCL Singapore Pte. Limited	22.36	11.75	15.83	3.77	8.73	-
-HCL Australia Services Pty. Limited	65.83	134.01	0.74	-	8.79	-
-HCL Comnet Systems & Services Limited	-	0.28	-	87.39	-	-
-HCL Comnet Systems & Services Limited - Domestic Business	0.89	-	-	-	-	-
-HCL Sweden AB	100.26	41.53	1.70	0.34	5.57	2.58
-Others	181.09	133.05	47.16	64.96	27.89	30.56
Total (A)	**1,586.95**	**1,059.92**	**219.65**	**283.63**	**435.07**	**227.04**
Jointly controlled entities						
-NEC HCL System Technologies Limited	-	2.56	-	-	-	0.47
-Statestreet Services (India) Pvt.Ltd.	0.23	4.64	0.01	-	-	-
Total (B)	**0.23**	**7.20**	**0.01**	**-**	**-**	**0.47**
Significant influence						
-HCL Infosystems Limited	5.95	1.66	0.88	0.37	-	-
-Others	-	-	0.05	-	-	-
Total (C)	**5.95**	**1.66**	**0.93**	**0.37**	**435.07**	**-**
Total (A+B+C)	**1,593.13**	**1,068.78**	**220.59**	**284.00**	**435.07**	**227.51**

e) Outstanding balances with related parties- Continued

	Capital accounts payables As at 30 June		Interest accrued but not due on borrowings As at 30 June		Advance received from customers As at 30 June		Loans outstanding As at 30 June		Guarantee outstanding As at 30 June		Supplier credit As at 30 June	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Subsidiaries												
-HCL America Inc.	-	-	-	0.10	-	-	-	-	988.27	1,103.86	-	-
- HCL Technologies Solutions Limited (formerly known as HCL EAI Services Limited)	-	-	-	-	-	-	-	-	2.02	2.02	-	-
- HCL Comnet Limited	-	-	0.55	-	-	-	82.00	82.00	-	-	-	-
- HCL Comnet Systems & Services Limited	-	-	-	0.59	-	-	-	89.00	-	-	-	-
- HCL Great Britain Limited	-	-	-	-	-	-	-	-	52.02	46.94	-	-
-HCL Bermuda Limited	-	-	-	-	-	-	-	-	90.50	86.89	-	-
-HCL EAS Limited	-	-	-	-	-	-	-	-	-	643.83	-	-
-HCL Japan Limited	-	-	-	-	-	-	-	-	17.82	172.48	-	-
-HCL Insurance BPO services Limited	-	-	-	-	-	-	-	-	380.12	677.76	-	-
-HCL BPO Services (NI) Limited	-	-	-	-	-	-	-	-	-	47.52	-	-
-HCL Singapore Pte Limited.	-	-	-	-	-	-	-	-	175.79	164.69	-	-
-HCL Netherlands B.V	-	-	-	-	-	-	-	-	139.74	126.10	-	-
-HCL Eagle Limited	-	-	-	-	7.36	-	-	-	-	-	-	-
-Others	-	-	-	0.54	-	-	-	-	5.93	15.47	-	-
Total (A)	**-**	**-**	**0.55**	**1.23**	**7.36**	**-**	**82.00**	**171.00**	**1852.21**	**3,087.56**	**-**	**-**
Significant influence												
-HCL Infosystems Limited	0.72	1.92	-	-	-	2.98	-	-	-	-	52.38	-
-Others	0.02	0.65	-	-	-	-	-	-	-	-	-	-
Total (B)	**0.74**	**2.57**	**-**	**-**	**-**	**2.98**	**-**	**-**	**-**	**-**	**52.38**	**-**
Total (A+B)	**0.74**	**2.57**	**0.55**	**1.23**	**7.36**	**2.98**	**82.00**	**171.00**	**1,852.21**	**3,087.56**	**52.38**	**-**

Notes to financial statements for the year ended 30 June 2013

(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	
	As at 30 June		As at 30 June		As at 30 June	
	2013	2012	2013	2012	2013	2012
Subsidiaries						
-HCL America Inc.	105.43	52.34	-	-	26.23	1.07
-HCL Great Britain Limited	18.26	20.20	-	-	8.22	-
-HCL Comnet Limited	46.52	1.53	-	-	-	-
-Others	34.11	16.62	-	-	0.69	-
Total (A)	**204.32**	**90.69**	**-**	**-**	**35.14**	**1.07**
Significant influence						
-HCL Infosystems Limited	7.28	12.73	0.43	0.44	-	-
-Others	-	0.19	0.65	0.14	-	-
Total (B)	**7.28**	**12.92**	**1.08**	**0.58**	**-**	**-**
Total (A+B)	**211.60**	**103.61**	**1.08**	**0.58**	**35.14**	**1.07**

e) Outstanding balances with related parties- Continued

	Loan and advances		Unbilled revenue		Deferred cost		Interest receivables	
	As at 30 June		As at 30 June		As at 30 June		As at 30 June	
	2013	2012	2013	2012	2013	2012	2013	2012
Subsidiaries								
-HCL America Inc.	11.82	24.49	204.25	150.51	-	-	0.07	0.01
- HCL Great Britain Limited	8.60	4.03	93.89	64.13	-	4.02	-	-
-HCL Comnet Systems & Services Limited	-	48.94	-	-	-	2.02	-	-
-HCL Comnet Limited	425.73	44.21	4.12	-	2.50	-	-	-
- HCL Bermuda Limited	-	-	-	-	-	-	-	-
-HCL Australia Services Pty. Limited	1.03	0.54	23.60	17.20	-	-	-	-
-Others	6.75	28.88	51.66	24.84	-	-	-	-
Total (A)	**453.93**	**151.09**	**377.52**	**256.68**	**2.50**	**6.04**	**0.07**	**0.01**
Jointly controlled entities								
-Statestreet Services (India) Pvt.Ltd.	0.07	-	2.95	-	-	-	-	-
Total (B)	**0.07**	**-**	**2.95**	**-**	**-**	**-**	**-**	**-**
Significant influence								
-HCL Infosystems Limited	15.56	2.16	16.47	14.41	-	-	-	-
-Others	-	0.06	-	-	-	-	-	-
Total (C)	**15.56**	**2.22**	**16.47**	**14.41**	**-**	**-**	**-**	**-**
Total (A+B+C)	**469.56**	**153.31**	**396.94**	**271.09**	**2.50**	**6.04**	**0.07**	**0.01**

2.29 Research and development expenditure

	Year ended 30 June 2013	Year ended 30 June 2012
Revenue	157.92	167.81
Capital	-	-
	157.92	**167.81**

Notes to financial statements for the year ended 30 June 2013
(All amounts in crores of ₹, except share data and as stated otherwise)

2.30 Commitments and Contingent liabilities

a)

	As at 30 June 2013	As at 30 June 2012
i) Capital and other commitments		
Capital commitments		
Estimated amount of unexecuted capital		
contracts (net of advances)	1,139.47	528.43
ii) Contingent Liabilities		
Others	5.29	4.29
Total	**1,144.76**	**532.72**

The amounts shown in the items 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 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 ₹ 1,852.21 crores (Previous year ₹ 3,087.56 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 ₹ 45.94 crores (Previous year ₹ 14.25 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) During the year ended 30 June 2013, the Company has negotiated extended interest bearing credit terms with certain vendors and issued ₹ 430.33 crores of letters of credit in this respect for extended payment terms up to 360 days. The interest rate on these arrangements ranges from 1.2% to 10.0%.

The Company also has letters of credit amounting to ₹ 0.29 crores outstanding for year ended 30 June 2013 in other 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 for conducting a Transfer Pricing Study to determine whether the transactions with associated 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 are accounted for as and when the study is completed for the current financial year. However 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, 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 provide 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 2013
(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 2013	As at 30 June 2012
Foreign Currency	**₹ Equivalent**	
USD/INR	8,319.67	4,772.58
GBP/INR	452.50	60.86
Euro/INR	1,129.71	56.07
Euro/USD	-	35.03
AUD/INR	16.44	-
Total	**9,918.32**	**4,924.54**

Options	As at 30 June 2013	As at 30 June 2012
	₹ Equivalent	
Range Forward		
USD/INR	545.50	1,529.20
GBP/INR	-	99.11
Euro/INR	-	47.66
Seagull		
USD/INR	-	395.03
Euro/USD	-	43.78
Euro/INR	-	116.29
Total	**545.50**	**2,231.07**

The following table summarizes activity in the Hedging Reserve related to all derivatives classified as cash flow hedges during the years ended 30 June 2013 and 2012.

Particulars	Year ended 30 June 2013	Year ended 30 June 2012
(Loss)/Gain as at the beginning of the year	(479.51)	23.51
Unrealized loss on cash flow hedging derivatives during the year	(218.99)	(646.88)
Net losses reclassified into net income on occurrence of hedged transactions	67.23	143.86
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)	**(631.27)**	**(479.51)**

As of the balance sheet date, the Company's net foreign currency exposure that is not hedged is ₹ 1,330.04 crores (Previous year ₹ 1,758.84 crores).

Notes:

1. Balance as at year end is inclusive of deferred tax assets of ₹ 142.75 crores (Previous year deferred tax assets of ₹ 93.94 crores).
2. At 30 June 2013, the estimated net amount of existing loss that is expected to be reclassified into the income statement within the next twelve months is ₹ 386.53 crores (Previous year loss of ₹ 211.86 crores).

Notes to financial statements for the year ended 30 June 2013
(All amounts in crores of ₹, except share data and as stated otherwise)

2.32. Earnings per equity share (EPS)

	Year ended 30 June 2013	Year ended 30 June 2012
Net profit as per statement of profit and loss for computation of EPS	3,704.72	1,950.42
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	3,611.18	1,950.42
Weighted average number of shares outstanding in computation of basic EPS	694,783,323	691,023,929
Dilutive effect of stock options outstanding	11,501,304	12,576,329
Weighted average number of equity shares and equity equivalent shares outstanding in computing diluted EPS	706,284,627	703,600,258
Nominal value of equity shares (in ₹)	2	2
Earnings per equity share (in ₹) computed on the basis of profit for the year		
- Basic	53.32	28.23
- Diluted	52.45	27.72
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	51.98	28.23
- Diluted	51.13	27.72

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 2013		For the Year ended 30 June 2012	
	Principal	Interest	Principal	Interest
Amount due to Vendor	0.04	-	0.06	0.01
Principal amount paid beyond the appointed date	-	-	-	-
Interest under normal credit terms -				
Accrued and unpaid during the year	-	-	-	0.01
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 2013	Year ended 30 June 2012
Superannuation Fund	2.20	8.36
Employer's contribution to Employees State Insurance	2.87	2.97
Employer's contribution to Employee's Pension Scheme	40.29	35.95
Total	**45.36**	**47.28**

B. Defined Benefit Plans

a) Gratuity
b) Employer's Contribution to Provident Fund

Notes to financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

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 at 15 days salary (last drawn salary) for each completed year of service.

The following table sets out the status of the gratuity plan as required under Accounting Standard 15 (Revised):

Statement of profit and loss

Net employee benefit expense (recognized in employee cost)

	Year ended 30 June 2013	Year ended 30 June 2012
Current service cost	37.03	25.98
Interest cost on benefit obligation	14.38	9.42
Expected return on plan assets	-	-
Net actuarial loss recognized in the year	5.57	17.02
Past service cost	-	-
Net benefit expense	**56.98**	**52.42**

Balance Sheet

Details of Provision for Gratuity

	Year ended 30 June 2013	Year ended 30 June 2012
Defined benefit obligations	188.38	140.65
Fair value of plan assets	-	-
	188.38	140.65
Less: Unrecognized past service cost	-	-
Plan liability	**188.38**	**140.65**

Changes in present value of the defined benefit obligation are as follows:

	Year ended 30 June 2013	Year ended 30 June 2012
Opening defined benefit obligations *	149.47	100.58
Current service cost	37.03	25.98
Interest cost	14.38	9.42
Actuarial loss on obligation	5.57	17.02
Benefits paid	(18.07)	(12.35)
Closing defined benefit obligations	**188.38**	**140.65**

*Note: - Opening defined benefit obligations include ₹ 8.82 crores, transferred from the transferor company pursuant to the implementation of the scheme of arrangement referred to in note 2.36.

The principal assumptions used in determining gratuity for the Company's plans are shown below:

	Year ended 30 June 2013	Year ended 30 June 2012
Discount rate	7.45%	8.10%
Estimated Rate of salary increases	7%	7%
Employee Turnover	17%	18%
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 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

The following table set out the experience adjustment to plan liabilities as required under AS-15 (Revised):

	Year ended 30 June				
	2013	2012	2011	2010	2009
Defined benefit obligations	188.38	140.65	100.58	85.00	71.19
Plan assets	-	-	-	-	-
Experience adjustment on plan liabilities	(1.19)	7.69	6.75	2.21	7.58
Experience adjustment on plan assets	-	-	-	-	-

Employer's Contribution to Provident Fund

The guidance note on implementing AS-15, Employee Benefits (revised 2005) issued by Accounting Standard Board (ASB) states that benefits involving employer established provident funds, which require interest shortfalls to be recompensed are to be considered as defined benefit plans. The Actuarial Society of India has issued the final guidance for measurement of provident fund liabilities during the current year. The actuary has accordingly provided a valuation and based on the assumption mentioned below there is no shortfall as at 30 June 2013.

The details of the fund and plan asset position are given below:-

	30 June 2013	30 June 2012
Plan assets at the year end	1,197.65	942.78
Present value of benefit obligation at year end	1,197.65	942.78
Asset recognized in balance sheet	**-**	**-**

Assumptions used in determining in the present value obligation of the interest rate guarantee under the Deterministic Approach.

	30 June 2013	30 June 2012
Government of India(GOI) bond yield	7.45%	8.10%
Remaining term of maturity	9.29 Years	8.03 Years
Expected guaranteed interest rate	8.50%	9.40%

During the year ended 30 June 2013, the Company has contributed ₹ 86.01 crores (Previous year ₹ 70.88 crores) towards employer's contribution to the Provident Fund.

2.35 Joint Venture

The Company has an interest in the following jointly controlled entities:

NEC HCL System Technologies Ltd.

In June, 2005 ,the Company entered into a Joint Venture Agreement with NEC Corporation ,Japan ("NEC") and NEC System Technologies limited ("NECST"), Japan, a subsidiary of NEC, whereby the Company holds a 49% stake in established joint venture entity, NEC HCL System Technologies Limited("NECH") and NEC and NECST holds a 51% stake.

In March, 2013 Company entered into an agreement with NEC for the sale of its 49% stake in equity affiliate NECH at gross consideration of ₹ 66.32 crores (USD 12 million).The sale was completed during the year on 26 April, 2013. The Company has recorded a gain of ₹ 55.54 crores in the statement of profit and loss during the year.

Notes to financial statements for the year ended 30 June 2013
(All amounts in crores of ₹, except share data and as stated otherwise)

The aggregate amounts of assets, liabilities, income and expenditure to the extent of the interest of the Company in the above jointly controlled entity are given hereunder:

	Year ended 30 June 2013	Year ended 30 June 2012
Revenue from operations	57.81	41.01
Other income	2.12	0.96
Total revenue	**59.93**	**41.97**
Employee benefit expenses	26.54	16.73
Operating and other expenses	13.33	12.60
Depreciation and Amortization expense	1.36	0.96
Total	**41.23**	**30.29**
Profit/(Loss) Before Tax	**18.70**	**11.68**
Provision for tax	6.29	3.95
Net profit/(Loss) after tax	**12.41**	**7.73**

	As at 30 June 2013	As at 30 June 2012
Assets		
Tangible assets		
Computers	-	1.57
Furniture and fixture	-	0.46
Total tangible assets (A)	**-**	**2.03**
Intangible assets		
Software	-	0.29
Total intangible assets (B)	**-**	**0.29**
Total fixed assets (A+B)	**-**	**2.32**
Trade receivables	-	11.79
Cash and bank balances	-	12.28
Other current assets	-	5.88
Liabilities		
Liabilities and provisions	-	5.03

2.36 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 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.

In view of the above, the net profit of the transferred division for the period 1 April 2012 to 30 June 2012 have been reflected in the statement of profit of loss of the Company after profit after tax and 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 and the results of the operation of the transferred division for the current year have been included in the statement of profit and loss for the year ended on that date.

Notes to financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

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**

Further, net cash flows for the period 1 April,2012 to 30 June,2012 pertaining to 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 current year's statement of cash flows as separate line item under the respective heads.

Notes to financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

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	15.78	58.32	58.13	21.98
	(27.77)	(12.38)	(24.65)	(15.78)
Servers	5.34	37.04	43.39	3.73
	(4.94)	(31.14)	(30.84)	(5.34)
Storage devices	1.89	27.78	51.23	0.70
	(1.49)	(1.30)	(6.28)	(1.89)
Routers	8.21	1.21	8.93	1.60
	(40.87)	(5.44)	(38.53)	(8.21)
Switches	2.39	2.58	3.11	2.59
	(9.25)	(1.96)	(12.58)	(2.39)
Others*	54.51	124.73	131.05	49.69
	(29.65)	(128.29)	(113.45)	(54.51)
Total	**88.12**	**251.66**	**295.84**	**80.29**
	(113.97)	(180.51)	(226.33)	(88.12)

* 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 2013	Year ended 30 June 2012
Capital goods	133.95	200.28
	133.95	**200.28**

2.39 Auditors' remuneration *

	Year ended 30 June 2013	Year ended 30 June 2012
A. As Auditors		
Statutory audit	2.20	1.83
Tax audit fees	0.25	0.19
Out of pocket expenses	0.20	-
B. For Certification	0.39	0.35
	3.04	**2.37**

* excluding service tax

Notes to financial statements for the year ended 30 June 2013
(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 2013	Year ended 30 June 2012
Outsourcing costs	846.67	615.97
Interest	-	2.38
Travel	123.00	140.79
Rates and taxes	9.74	17.66
Software license fee	16.50	11.68
Communication costs	13.74	6.27
Professional fees	9.10	9.37
Personnel expenses	-	10.63
Cost of goods sold	37.06	5.06
Provision for doubtful debts	36.65	-
Recruitment training and development	2.95	4.79
Repair and maintenance	23.25	6.11
Others	12.98	53.33
	1,131.64	**884.04**

2.41 Earnings in foreign currency(on accrual basis)

	Year ended 30 June 2013	Year ended 30 June 2012
Income from Services	11,381.19	8,384.17
	11,381.19	**8,384.17**

2.42 Dividend remitted in foreign currency

	Year ended 30 June 2013	Year ended 30 June 2012
Final dividend		
Number of non-resident shareholders	64	73
Number of shares held	120,071,159	120,790,275
Amount remitted in ₹ (net of tax)	48.03	24.16
Amount remitted FCY	$8,876,489	$4,910,174
Year to which it relates	2011-12	2010-11
1st Interim dividend		
Number of non-resident shareholders	64	73
Number of shares held	120,071,159	120,790,275
Amount remitted in ₹ (net of tax)	24.01	48.32
Amount remitted FCY	$4,438,245	$9,820,348
Year to which it relates	2012-13	2011-12
2nd Interim dividend		
Number of non-resident shareholders	60	70
Number of shares held	120,058,984	120,779,637
Amount remitted in ₹ (net of tax)	24.01	24.16
Amount remitted FCY	$4,454,879	$4,860,348
Year to which it relates	2012-13	2011-12
3rd Interim dividend		
Number of non-resident shareholders	59	68
Number of shares held	120,033,843	120,124,750
Amount remitted in ₹ (net of tax)	24.01	24.02
Amount remitted FCY	$4,422,765	$4,569,218
Year to which it relates	2012-13	2011-12

Notes to financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

2.43 The current year's figures in statement of profit and loss includes results of operations of transferred division for the period from 1 July, 2012 to 30 June, 2013 and the net profit of the transferred division for the period 1 April 2012 to 30 June 2012 have been reflected in the statement of profit of loss of the Company after profit after tax (refer note 2.36 above). Therefore, corresponding figures of previous year are not comparable with those of current year.

2.44 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, 2013

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

Noida (UP), India
31 July, 2013

Consolidated Statements

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INDEPENDENT AUDITORS' 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 ventures and associates, which comprise the Consolidated Balance Sheet as at June 30, 2013, 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. 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, 2013;

(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 No.: 17401

Place of Signature : Gurgaon, India
Date : July 31, 2013

Consolidated Balance Sheet as at 30 June 2013

(All amounts in crores of ₹)

	Note No.	As at 30 June 2013	As at 30 June 2012
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	3.1	139.37	138.66
(b) Reserves and surplus	3.2	13,019.61	9,696.43
		13,158.98	**9,835.09**
(2) Share application money pending allotment	3.3	5.01	2.77
(3) Minority interest		44.68	1.07
(4) Non - current liabilities			
(a) Long-term borrowings	3.4	796.73	1,077.20
(b) Other long-term liabilities	3.5	720.21	661.64
(c) Long term provisions	3.6	201.48	206.82
		1,718.42	**1,945.66**
(5) Current liabilities			
(a) Short term borrowings	3.7	128.52	448.99
(b) Trade payables	3.8	401.38	469.44
(c) Other current liabilities	3.8	5,220.73	4,168.18
(d) Short term provisions	3.9	1,721.60	1,466.59
		7,472.23	**6,553.20**
TOTAL		**22,399.32**	**18,337.79**
II. ASSETS			
(1) Non-current assets			
(a) Fixed Assets			
(i) Tangible assets	3.10	2,192.54	1,918.03
(ii) Intangible assets	3.10	4,560.00	4,535.07
(iii) Capital work in progress		493.84	578.47
		7,246.38	**7,031.57**
(b) Non-current investments	3.11	85.87	127.00
(c) Deferred tax assets (net)	3.12	741.88	661.57
(d) Long term loans and advances	3.13	1,273.96	996.24
(e) Other non-current assets	3.14	417.71	426.09
		9,765.80	**9,242.47**
(2) Current Assets			
(a) Current investments	3.11	627.17	546.20
(b) Inventories	3.15	231.50	226.16
(c) Trade receivables	3.16	4,497.15	3,875.66
(d) Cash and bank balances	3.17	3,577.11	1,947.69
(e) Short - term loans and advances	3.18	1,571.81	674.69
(f) Other current assets	3.19	2,128.78	1,824.92
		12,633.52	**9,095.32**
TOTAL		**22,399.32**	**18,337.79**
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 2013

Noida (UP), India
31 July 2013

Consolidated Statement of Profit and Loss for the year ended 30 June 2013

(All amounts in crores of ₹)

	Note No.	Year ended 30 June 2013	Year ended 30 June 2012
Income			
Revenue from operations	3.20	25,581.06	20,830.55
Other income	3.21	351.11	206.50
Total revenue		**25,932.17**	**21,037.05**
Expenses			
Cost of materials	3.22	959.34	611.99
Employee benefit expenses	3.23	12,574.17	11,104.55
Finance costs	3.24	105.62	142.63
Depreciation and amortization expense	3.10	636.76	549.24
Other expenses	3.25	6,386.39	5,418.84
Total expenses		**20,662.28**	**17,827.25**
Profit before tax		**5,269.89**	**3,209.80**
Tax expenses			
Current tax		(1,258.89)	(999.90)
Less: MAT Credit Entitlement		84.78	65.48
Add: MAT Credit Entitlement written off		(70.35)	-
Net current tax		(1,244.46)	(934.42)
Deferred tax credit		19.15	151.70
Profit after tax and before minority interest / share of loss of associates		**4,044.58**	**2,427.08**
Share of loss of associates		(0.21)	(4.31)
Share of profit of minority interest		(4.28)	(0.07)
Profit for the year		**4,040.09**	**2,422.70**
Earnings per equity share of ₹ 2 each	3.27		
Basic (in ₹)		58.15	35.06
Diluted (in ₹)		57.20	34.43
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
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Company Secretary

Gurgaon, India
31 July 2013

Noida (UP), India
31 July 2013

Consolidated Cash flow statement

(All amounts in crores of ₹)

	Year ended 30 June 2013	Year ended 30 June 2012
A. Cash Flows from operating activities		
Profit before tax	5,269.89	3,209.80
Adjustment for:		
Depreciation and amortization	636.76	549.24
Interest income	(213.32)	(138.46)
Dividend income	(23.95)	(34.65)
Profit on sale of investments (net)	(16.57)	-
Profit on sale of long term investment in Joint Venture	(26.68)	-
Loss on sale of business	13.19	-
Interest expenses	70.70	112.42
Profit on sale of fixed assets (net)	(0.07)	(1.72)
Employee stock compensation expense	14.97	135.29
Other non cash charges	180.38	318.47
Operating profit before working capital changes	**5,905.30**	**4,150.39**
Movement in Working Capital		
Increase in trade receivables	(638.90)	(946.09)
(Increase) / decrease in inventories	2.16	(51.27)
(Increase) / decrease in loan and advances	(367.33)	(327.38)
(Increase) / decrease in other assets	(285.02)	(554.83)
Increase / (decrease) in other liabilities and provisions	1,139.62	1,048.57
Cash generated from operations	**5,755.83**	**3,319.39**
Direct taxes paid (net of refunds)	(1,264.18)	(766.04)
Net cash flow from operating activities (A)	**4,491.65**	**2,553.35**
B. Cash flows from investing activities		
Proceeds from bank deposit on maturity	2,364.85	1,144.66
Investments in bank deposits	(3,849.07)	(1,326.67)
Purchase of investments in mutual funds	(4,771.15)	(4,884.06)
Proceeds from sale of investments in mutual funds	4,751.09	4,980.42
Investments in associates	-	(40.73)
Deposits placed with body corporate	(692.00)	(50.00)
Proceeds from maturity of deposits placed with body corporate	50.00	-
Purchase of fixed assets, including intangible assets, Capital work in progress and capital advances	(618.69)	(909.41)
Proceeds from sale of fixed assets	1.63	3.61
Payment for deferred consideration on business acquistion	-	(100.64)
Proceeds from sale of long term investment in Joint Venture	66.32	-
Interest received	175.31	163.47
Dividend received	23.95	34.65
Proceeds from sale of business (refer note 2(a))	196.79	-
Taxes paid	(52.91)	(41.57)
Net cash flow used in investing activities (B)	**(2,353.88)**	**(1,026.27)**
C. Cash flows from financing activities		
Proceeds from issue of share capital	33.60	39.13
Repayment of debentures	(330.00)	(170.00)
Proceeds from long term borrowings	65.06	23.68
Repayment of long term borrowings	(619.13)	(698.77)
Proceeds from short term borrowings	48.19	787.05
Repayment of short term borrowings	(391.99)	(294.86)

Consolidated Cash flow statement (Contd.)

(All amounts in crores of ₹)

	Year ended 30 June 2013	Year ended 30 June 2012
Interest paid	(74.75)	(114.15)
Dividend paid on equity shares	(694.55)	(691.02)
Tax on equity dividend paid	(113.75)	(112.10)
Principal payment on finance lease obligations	(8.83)	(7.80)
Net cash flows used in financing activities (C)	**(2,086.15)**	**(1,238.84)**
Net increase in cash and cash equivalents (A+B+C)	51.62	288.24
Effect of exchange differences on cash and cash equivalents held in foreign currency	(7.59)	(135.27)
Cash and cash equivalents at the beginning of the year	676.67	523.70
Cash and cash equivalents at the end of the year as per note 3.17 (a) (refer note 1 below)	**720.70**	**676.67**

Notes:

1. Cash and cash equivalents include the following:

   Investor Education and Protection Fund-Unclaimed dividend* 2.36 2.37

   * The Group can utilize these balances only towards the settlement of the respective above mentioned liabilities.

2. Previous year figures have been regrouped and recast wherever necessary to conform to the current year 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 2013

For **HCL Technologies Limited**

Shiv Nadar
Chairman and Chief Strategy Officer

Amal Ganguli
Director

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President and Chief Executive Officer

Anil Chanana
Chief Financial Officer

Manish Anand
Company Secretary

Noida (UP), India
31 July 2013

Notes to consolidated financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

Company Overview

HCL Technologies Limited (hereinafter referred to as "the Company" or "the parent company") and its consolidated subsidiaries (hereinafter collectively referred to as "the Group"), joint ventures and associates are primarily engaged in providing a range of software services, business process outsourcing and infrastructure product and management services. The Company was incorporated in India in November 1991. The Group leverages an extensive offshore infrastructure and its global network of offices in various countries and professionals to deliver solutions across select verticals including Financial Services, Manufacturing (Automotive, Aerospace, Hi-tech and Semi Conductor) Telecom, Retail and Consumer packaged goods services, Media, Publishing and Entertainment, Public Services, Energy and Utility, Healthcare, Travel, Transport and Logistics.

1. Significant Accounting Policies

a) Basis of preparation

The financial statements of the Group have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). These consolidated financial statements have been prepared to comply in all material aspect with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the other relevant provisions of the Companies Act, 1956. 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 generally accepted accounting principles requires 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 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 ventures 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 2013	Year ended 30 June 2012
			Holding Percentage	
1	HCL Comnet Systems & Services Limited	India	100%	99.97%
2	HCL Comnet Limited	India	100%	99.97%
3	HCL Bermuda Limited	Bermuda	100%	100%
4	HCL Technologies (Shanghai) Limited	China	100%	100%
5	HCL Eagle Limited	India	92%	92%

Step down subsidiaries of direct subsidiaries of HCL Technologies as mentioned above are as follows:-

Sr. No.	Name of the Subsidiaries	Country of Incorporation	Year ended 30 June 2013	Year ended 30 June 2012
			Holding Percentage	
1	HCL Great Britain Limited	UK	100%	100%
2	HCL (Netherlands) BV	The 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 Singapore Pte. Limited	Singapore	100%	100%
7	HCL Italy SLR	Italy	100%	100%
8	HCL Australia Services Pty. Limited	Australia	100%	100%
9	HCL (New Zealand) Limited	New Zealand	100%	100%
10	HCL Hong Kong SAR Limited	Hong Kong	100%	100%
11	HCL Japan Limited	Japan	100%	100%
12	HCL America Inc.	USA	100%	100%
13	HCL Holdings GmbH	Austria	100%	100%
14	HCL Global Processing Services Limited	India	100%	100%
15	HCL BPO Services (NI) Limited	UK	100%	100%

Notes to consolidated financial statements for the year ended 30 June 2013

(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 2013	Year ended 30 June 2012
			Holding Percentage	
16	HCL (Malaysia) Sdn. Bhd.	Malaysia	100%	100%
17	HCL Technologies Solutions Limited (formerly known as HCL EAI Services Limited)	India	100%	100%
18	HCL Poland sp. z o.o	Poland	100%	100%
19	HCL EAS Limited	UK	100%	100%
20	HCL Insurance BPO Services Limited	UK	100%	100%
21	HCL Expense Management Services Inc.	USA	100%	100%
22	Axon Group Limited	UK	100%	100%
23	Axon Solutions (Canada) Inc.#	Canada	100%	100%
24	Bywater Limited	UK	100%	100%
25	Axon Solutions Schweiz Gmbh	Switzerland	100%	100%
26	Axon Solutions Pty. Limited	Australia	100%	100%
27	Axon Solutions Inc.	USA	100%	100%
28	Axon Acquisition Company, Inc.	USA	100%	100%
29	Axon Solutions Limited	UK	100%	100%
30	Axon Solutions Sdn. Bhd.	Malaysia	100%	100%
31	Axon Solutions Singapore Pte. Limited	Singapore	100%	100%
32	Axon Solutions (Shanghai) Co. Limited	China	100%	100%
33	HCL Axon (Proprietary) Limited	South Africa	100%	100%
34	JSPC- I Solutions Sdn. Bhd.	Malaysia	100%	100%
35	JSP Consulting Sdn. Bhd.	Malaysia	100%	100%
36	HCL Argentina s.a.	Argentina	100%	100%
37	HCL Mexico S. de R.L.	Mexico	100%	100%
38	HCL Technologies Romania s.r.l.	Romania	100%	100%
39	HCL Hungary Limited	Hungary	100%	100%
40	HCL Latin America Holding LLC	USA	100%	100%
41	HCL (Brazil) Technologia da informacao Ltda.	Brazil	100%	100%
42	HCL Technologies Denmark Apps	Denmark	100%	100%
43	HCL Technologies Norway AS	Norway	100%	100%
44	PT. HCL Technologies Indonesia Limited	Indonesia	100%	100%
45	HCL Technologies Philippines Inc.	Philippines	100%	100%
46	HCL Technologies South Africa (Proprietary) Limited	South Africa	100%	100%
47	HCL Arabia LLC	Saudi Arabia	100%	100%
48	HCL Technologies France	France	100%	100%
49	Filial Espanola De HCL Technologies S.L. (Spain)	Spain	100%	100%
50	Anzospan Investments Pty Limited	South Africa	100%	100%
51	HCL Investments (UK) Limited	UK	100%	100%
52	HCL America Solutions Inc. (Formerly known as HCL Technologies Product Design Services inc.)	USA	100%	100%

 # HCL Technologies Canada Inc. and Axon Solutions (Canada) Inc. amalgamated w.e.f. 1 July 2012 and formed a new entity Axon Solutions (Canada) Inc.

Notes to consolidated financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

Sr. No.	Name of the Joint Ventures	Country of Incorporation	Year ended 30 June 2013	Year ended 30 June 2012
			Holding Percentage	
1	NEC HCL System Technologies Limited.	India	-	49%
2	Axon Puerto Rico	Puerto Rico	49%	49%

Sr. No.	Name of the Associates	Country of Incorporation	Year ended 30 June 2013	Year ended 30 June 2012
			Holding Percentage	
1	Statestreet Holding UK Limited	UK	49%	49%
2	Statestreet Services (India) Private Limited (subsidiary of associate)	India	100%	49%
3	Statestreet Services (Phillipines) Inc. (subsidiary of associate)*	Phillipines	100%	–

** Incorporated w.e.f. 20 June 2013*

The Company has a 49% equity interest in associates and 100% dividend rights. The shareholders agreement provides specific rights to the two shareholders. 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 Statestreet Services (India) Private Limited 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 board of directors of such companies. Subsidiaries are consolidated from the date on which effective control is transferred to the Company 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 Company. Joint ventures are accounted for using proportionate consolidation. Investments in associates are accounted for using the equity method.

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 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 repair and 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 less than ₹ 5,000 are fully depreciated in the year of purchase.

Notes to consolidated financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

The management's estimates of the useful lives of the various tangible fixed assets for computing depreciation are as follows:

	Life (in years)
Land-leasehold	Over the period of lease (Up to a maximum of 99 years)
Buildings	20
Plant and machinery (including air conditioners, electrical installations and aircraft)	4 to 17
Office equipments	4 to 5
Computers	2 to 4
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 date of amalgamation. Following 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 the 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 affect 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.

Goodwill other than arising on amalgamation 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 the various other intangibles 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 for impairment annually 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 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 and 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 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 leases. 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 cost 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 asset 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 cost 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 year 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 higher of an asset's or cash generating unit's net selling price and 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 the 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. Costs of stock in trade, that are interchangeable and not specific to any project is determined using the weighted average cost formula. Cost of stores and spare parts is determined using weighted average cost.

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

Notes to consolidated financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

measured. Revenue from sale of goods and rendering of services is recognized when risk and reward of ownership have been transferred to the customer, the sale price is fixed or determinable and collectability is reasonably assured. The Group derives revenues primarily from:-

- Software services;
- 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) Infrastructure services

Revenue from sale of products is recognized when risk and reward of ownership have been transferred to the customer, the sales 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 infrastructure management services comprise 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 income 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 multi-deliverable contracts where revenue cannot be allocated to various deliverables in a contract, the entire contract is accounted for as one deliverable and accordingly the revenue is recognized on a proportionate completion method following the performance pattern of predominant services in the contract or is deferred until the last deliverable is delivered.

iii) Business process outsourcing services

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

Earnings in excess of billing are classified as unbilled revenue, while billing in excess of earnings are classified as unearned revenue. Incremental revenue from existing contracts arising on future sales of the customers' products will be recognized when it is earned. Revenue and related direct costs from transition services in outsourcing arrangements are deferred and recognized over the period of the arrangement. Certain upfront non-recurring costs incurred in the initial phases of outsourcing contracts and contract acquisition costs, are deferred and amortized usually on a straight line basis over the term of the contract. The Group periodically estimates the undiscounted cash flows from the arrangement and compares it with the unamortized costs. If the unamortized costs exceed the undiscounted cash flow, a loss is recognized.

The Group gives volume discounts and pricing incentives to customers. The discount terms in the Group's arrangements with customers generally entitle the customer to discounts, if the customer completes a specified level of revenue transactions. In some arrangements, the level of discount varies with increases in the levels of revenue transactions. The Group recognizes discount obligations as a reduction of revenue based on the rateable allocation of the discount to each of the underlying revenue transactions that result in progress by the customer toward earning the discount.

Revenues are shown net of sales tax, value added tax, service tax and applicable discounts and allowances.

Revenue from sales-type leases is recognized when risk of loss has 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 the accrual basis using the effective interest method.

iv) Others

Interest on the deployment of surplus funds is recognized using the time-proportion method, based on interest rates implicit in the transaction. Brokerage, commission and rent are recognized once the same are earned and accrued to the Company and dividend income is recognized when the right to receive the dividend is established.

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.

Notes to consolidated financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

(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 of Group 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 as expenses 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 remeasured 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 there 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 year 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 expense for the year.

(v) Translation of Integral and Non-integral foreign operation

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation had been those of the Group itself.

In translating the financial statements of a non-integral foreign operation for incorporation in the financial statements, the assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation are translated at the closing rate; income and expense items of the non-integral foreign operation are translated at monthly weighted average rates ,which approximate the actual exchange rates; and 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 expenses 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 the 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 Trusts 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. The Company contributes to a scheme administered on its behalf by an insurance company in respect of superannuation, a defined contribution plan for applicable employees and such contributions are charged to the statement of profit and loss for each period of service rendered by the employees. 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 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.

Notes to consolidated financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

iv. Compensated absences: The employees of the Group are entitled to compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation (using the Projected unit credit method) based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the balance sheet date. Accumulated leave, which is expected to be utilized within the next 12 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 for each period of service rendered by the employees.

Subsidiaries in the US

The Company has a saving 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 period in which they accrue.

Subsidiaries in Europe

The Company contributes towards pension plans of the various governments for the employees of its subsidiaries in United Kingdom, Sweden, Netherlands, Belgium, Germany and Northern Ireland. These are defined contribution plans. Contributions are charged to income in the period in which they accrue.

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 Company contributes to a fund approved by the Government of Australia. This is a defined contribution plan. Contributions are charged to income in the period in which they accrue.

Subsidiaries in Malaysia and Singapore

As per local laws of Malaysia and Singapore, employers are required to contribute a notified percentage of the basic salary for the eligible employees to the fund set up by the Government of the Country. This is a defined contribution plan. Contributions are charged to income in the period in which they accrue.

p) Taxation

Tax expense comprises of current and deferred tax. Current income tax expense comprises taxes on income from operations in India and in foreign jurisdictions. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961 and tax expense relating to overseas operations is determined in accordance with tax laws applicable in countries where such operations are domiciled.

Deferred tax expense or benefit is recognized on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss . Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by the same governing taxation laws.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. In the 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.

Minimum Alternative tax (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 the 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 there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

Notes to consolidated financial statements for the year ended 30 June 2013

(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 Group 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 are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects 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 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.

u) **Cash and cash equivalent**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short term deposits with banks with an original maturity of three months or less.

2. **Acquisitions / Sale**

a) **Sale of business**

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 2013

(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 2013	30 June 2012
Authorized		
750,000,000 (Previous year 750,000,000) equity shares of ₹ 2 each	150.00	150.00
Issued, subscribed and fully paid up		
696,869,857 (Previous year 693,283,476) equity shares ₹ 2 each	139.37	138.66

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.The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Interim dividend may be paid during the year on approval by the Board of Directors.

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 2013		30 June 2012	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
Number of shares at the beginning	693,283,476	138.66	688,688,524	137.74
Add: Shares issued on exercise of employee stock options	3,576,256	0.71	4,594,952	0.92
Add: Shares issued under scheme of arrangement (refer note 3.36)	10,125	0.00 *	-	-
Number of shares at the end	696,869,857	139.37	693,283,476	138.66

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 2013		30 June 2012	
	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 *	311,964,982	44.77%	311,973,367	45.00%
HCL Holdings Private Limited	119,548,908	17.16%	119,548,908	17.24%

* Shares earlier held by Slocum Investment (Delhi) Private Limited vested into Vama Sundari Investments (Delhi) Private Limited with effect from 22 March 2013 (the effective date) pursuant to the Scheme of Amalgamation approved by High Court.

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				
	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.	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
Aggregate number and class of shares bought back	Nil	Nil	Nil	Nil	Nil

Notes to consolidated financial statements for the year ended 30 June 2013

(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 2013, the following schemes were in operation:

	ESOP1999	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 2012, the following schemes were in operation:

	ESOP1999	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 Compensation Committee.

The details of activity under various plans have been summarized below:-

ESOP 1999	Year ended			
	30 June 2013		30 June 2012	
	No. of options	Weighted average exercise price (₹)	No. of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	536,630	655.52	745,947	650.99
Add: Granted during the year	-	-	-	-
Less: Forfeited during the year	-	-	-	-
Exercised during the year	(176,588)	638.71	(193,018)	640.18
Expired during the year	(35,620)	640.08	(16,299)	629.90
Options outstanding at the end of the year	**324,422**	**666.37**	**536,630**	**655.52**
Options exercisable at the end of the year	**324,422**		**536,630**	

The weighted average option price at the date of exercise for stock options exercised during the year was ₹ 2,609.93 (Previous year ₹ 1,755.22)

Notes to consolidated financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

ESOP 2000	Year ended			
	30 June 2013		30 June 2012	
	No. of options	Weighted average exercise price (₹)	No. of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	1,024,030	632.18	1,484,659	622.94
Add: Granted during the year	-	-	-	-
Less: Forfeited during the year	-	-	-	-
Exercised during the year	(313,419)	618.13	(382,084)	606.70
Expired during the year	(127,356)	625.65	(78,545)	581.54
Options outstanding at the end of the year	**583,255**	**641.16**	**1,024,030**	**632.18**
Options exercisable at the end of the year	**583,255**		**1,024,030**	

The weighted average option price at the date of exercise for stock options exercised during the year was ₹ 2,619.54 (Previous year ₹ 1,749.35)

ESOP 2004	Year ended			
	30 June 2013		30 June 2012	
	No. of options	Weighted average exercise price (₹)	No. of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	3,605,488	13.61	3,928,675	17.22
Add: Granted during the year	21,220	8.00	484,740	8.00
Less: Forfeited during the year	(962,180)	8.00	(230,480)	8.00
Exercised during the year	(404,057)	17.64	(573,636)	31.70
Expired during the year	(22,270)	88.72	(3,811)	640.17
Options outstanding at the end of the year*	**2,238,201**	**14.48**	**3,605,488**	**13.61**
Options exercisable at the end of the year	**295,101**		**464,828**	

The weighted average option price at the date of exercise for stock options exercised during the year was ₹ 2,942.59 (Previous year ₹ 1,704.10)

* Total number of outstanding options includes 1,549,700 as on 30 June 2013 (1,732,660 as on 30 June 2012) 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 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 ₹ 642 - ₹ 741	2,216,841 21,360	5.61 0.64	8.00 687.24

Notes to consolidated financial statements for the year ended 30 June 2013

(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 2012 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	536,630	1.46	655.52
Employee Stock Option Plan - 2000	₹ 260 - ₹ 470	20,785	0.26	393.67
	₹ 483 - ₹ 823	1,003,245	1.31	637.12
Employee Stock Option Plan - 2004	₹ 8	3,575,936	6.47	8.00
	₹ 642 - ₹ 741	29,552	1.45	691.65

The weighted average fair value of stock options granted during the year was ₹ 1,914.35 (Previous year ₹ 1,532.85). The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

	Year ended	
	30 June 2013	30 June 2012
Weighted average share price	324.74	321.95
Exercise Price	₹ 2.00	₹ 2.00
Expected Volatility	36.88%	37.06%
Historical Volatility	36.88%	37.06%
Life of the options granted (vesting and exercise period) in years	2.96 - 5.00 Years	1.71 - 6.00 Years
Expected dividends	₹ 8.00	₹ 8.00
Average risk-free interest rate	7.78%	7.78%
Expected dividend rate	2.46%	2.48%

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 2013	30 June 2012
Net income - As reported	**4,040.09**	**2,422.70**
Add: Employee stock compensation under intrinsic value method	14.97	135.29
Less: Employee stock compensation under fair value method	16.79	130.81
Net income - Proforma	**4,038.27**	**2,427.18**
Earnings per share (₹) refer note 3.27		
Basic - As reported	58.15	35.06
- Proforma	58.12	35.12
Diluted - As reported	57.20	34.43
- Proforma	57.18	34.50

Notes to consolidated financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

3.2 Reserves and Surplus

	As at	
	30 June 2013	30 June 2012
Capital redemption reserve		
Balance as per last financial statements	45.00	45.00
Add: Movement during the year	-	-
	45.00	**45.00**
Securities premium account		
Balance as per last financial statements	1,769.76	1,654.23
Add: Exercise of stock option by employees	93.59	115.53
Add: Adjustment pursuant to implementation of Scheme of Arrangement (refer note 3.36)	0.48	-
	1,863.83	**1,769.76**
Debenture redemption reserve		
Balance as per last financial statements	630.00	590.00
Add: amount transferred from surplus in the statement of profit and loss	100.00	210.00
Less: amount transferred to statement of profit and loss due to redemption of debentures	(330.00)	(170.00)
	400.00	**630.00**
Share options outstanding		
Balance as per last financial statements	555.08	591.26
Add: Options granted during the year	5.68	74.53
Less: Options forfeited during the year	(166.42)	(31.61)
Less: Transferred to security premium on exercise of stock options	(62.95)	(79.10)
	331.39	**555.08**
Less:-Deferred employee compensation cost	(116.47)	(292.19)
	214.92	**262.89**
Hedging reserve account (net of deferred tax) (Refer note 3.33)		
Balance as per last financial statements	(385.72)	19.24
Add: Movement during the year (net)	(102.80)	(404.96)
	(488.52)	**(385.72)**
Foreign currency translation reserve		
Balance as per last financial statements	755.07	(202.97)
Add: Exchange difference during the year on net investment in non-integral operations	314.97	958.04
	1,070.04	**755.07**
General Reserve		
Balance as per last financial statements	1,229.15	1,034.11
Add: amount transferred from surplus in the statement of profit and loss	380.00	195.04
	1,609.15	**1,229.15**
Surplus in the statement of profit and loss		
Balance as per last financial statements	5,390.28	4,167.94
Add: Profit for the year	4,040.09	2,422.70
Add: Transfer from debenture redemption reserve due to redemption of debentures	330.00	170.00
Amount available for appropriation	**9,760.37**	**6,760.64**
Less: Appropriations		
Interim dividend [amount per share ₹ 6 (Previous year ₹ 8)]	416.94	552.98
Proposed final dividend [including ₹ 0.30(Previous year ₹ 0.29) paid for previous year] [amount per share ₹ 6 (Previous year ₹ 4)]	418.42	277.60
Total dividend	**835.36**	**830.58**
Corporate dividend tax [including ₹ 0.05 (Previous year ₹ 0.05) paid for previous year]	139.82	134.74
Transfer to general reserve	380.00	195.04
Transfer to debenture redemption reserve	100.00	210.00
Net surplus in the statement of profit and loss	**8,305.19**	**5,390.28**
	13,019.61	**9,696.43**

Notes to consolidated financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

3.3 Share application money pending allotment

	30 June 2013	30 June 2012
- number of shares proposed to be issued	356,008	211,332
- the amount of premium	4.94	2.73
- 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 2013	30 June 2012	30 June 2013	30 June 2012
(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	-	-
	8.20% Secured redeemable non convertible debentures of ₹ 10 Lacs each (repayable on 25 August 2012)	-	-	-	330.00
	From banks				
	Long term loans (refer note 2 & 3 below)	32.88	360.61	9.82	230.10
	From others				
	Finance lease obligations (refer note 4 below) (refer note 3.26 (i)(a))	258.34	191.89	90.13	65.35
	Others (refer note 5 below)	0.76	13.82	13.05	17.69
(b)	**Unsecured**				
	Others (refer note 6 below)	4.75	10.88	6.16	10.10
		796.73	**1,077.20**	**119.16**	**653.24**
Amount disclosed under the head "other current liabilities" (note 3.8)				**(119.16)**	**(653.24)**
		796.73	**1,077.20**	**-**	**-**

Note:-

1. Debentures have a maturity period ranging from three years to five years and are secured against computers, softwares, plant and machinery, receivables from subsidiaries and specified land and building of the Company. During the year the Company has paid ₹ 330 crores on redemption of 8.20% series secured redeemable non convertible debentures.
2. The Group has availed a term loan of ₹ 1,395.90 crores at interest rates ranging from 2% - 4% during December 2009 .The balance outstanding is ₹ Nil (Previous year ₹ 559.90 crores). During the year the Group has repaid entire term loan outstanding at the end of previous year.
3. The Group has availed a term loan of ₹ 42.70 crores (Previous year ₹ 35.19 crores) secured by hypothecation of vehicles of ₹ 69.55 crores (Previous year ₹ 45.54 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.
4. The Finance lease obligations are secured against netwoking equipment and vehicles acquired by Group on finance lease at interest rates ranging from 8% to 11%.
5. The other long term loan of ₹ 13.81 crores represents loan taken for purchases of plant and machinery (Previous year ₹ 31.51 crores) at interest rates ranging from 0% to 8.80% 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 2015.
6. The other long term loan of ₹ 10.91 crores represents loan taken for purchases of plant and machinery (Previous year ₹ 20.98 crores) at interest rates ranging from 0% to 8.80%. The loans are repayable till July 2015.

Notes to consolidated financial statements for the year ended 30 June 2013
(All amounts in crores of ₹, except share data and as stated otherwise)

3.5 Other long term Liabilities

	As at	
	30 June 2013	30 June 2012
Income received in advance	454.42	346.24
Liability for expenses	20.99	47.69
Unrealized loss on forward covers	244.80	267.71
	720.21	**661.64**

3.6 Long term provisions

	As at	
	30 June 2013	30 June 2012
Provision for employee benefits	199.81	205.19
Provision for warranties	1.67	1.63
	201.48	**206.82**

3.7 Short term borrowings

	As at	
	30 June 2013	30 June 2012
Secured		
From Banks (refer note below)	-	417.28
Unsecured		
Bank overdraft	128.52	31.71
	128.52	**448.99**

Note:- The loan is secured by corporate guarantee from the Company.

Notes to consolidated financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

3.8 Trade payables and other current liabilities

	As at	
	30 June 2013	30 June 2012
Trade Payables	399.27	469.06
Trade Payables-related parties	2.11	0.38
	401.38	**469.44**
Other current liabilities		
Current maturities of long term loans	119.16	653.24
Interest accrued but not due on borrowings	2.69	6.74
Investor education and protection fund (shall be credited by following amounts as and when due) - Unclaimed dividend	2.36	2.37
Advances received from customers	79.19	61.92
Advances received from customers-related parties	-	2.98
Unrealized loss on forward cover	437.91	215.65
Capital Accounts Payables (includes supplier credit ₹ 297.67 Previous year ₹ Nil)	398.20	122.29
Capital Accounts Payables-related parties (includes supplier credit ₹ 7.12 Previous year ₹ Nil)	7.87	2.57
Income received in advance	634.63	686.57
Income received in advance-related parties	0.77	0.69
Accrued salaries and benefits		
Employee bonuses accrued	774.27	593.63
Other employee costs	387.55	356.46
Other liabilities		
Liabilities for expenses	1,775.98	1,212.67
Liabilities for expenses-related parties	7.35	12.92
Supplier Credit -others	300.52	-
Supplier Credit -related parties	48.28	-
Withholding and other taxes payable	234.77	231.48
Book Overdraft	9.23	5.99
	5,220.73	**4,168.18**

3.9 Short term provisions

	As at	
	30 June 2013	30 June 2012
Provision for employee benefits	437.10	370.93
Proposed dividend on equity shares	418.12	277.31
Taxes on dividend	71.06	44.99
Income taxes (refer note 1 below)	793.96	771.99
Wealth tax (refer note 2 below)	1.36	1.37
	1,721.60	**1466.59**

Notes:-

1. Net of advance income tax of ₹ 2,691.00 crores (Previous year ₹ 1,800.54 crores)
2. Net of advance wealth tax of ₹ 5.31 crores (Previous year ₹ 3.96 crores)

Notes to consolidated financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise stated)

Note:- 3.10 Fixed Assets

	Gross Block					Accumulated Depreciation/ Amortisation					Net Block	
	As at 1 July 2012	Additions	Deletions/ Adjustments	Translation exchange differences	As at 30 June 2013	As at 1 July 2012	Charge for the year	Deletions/ Adjustments	Translations exchange differences	As at 30 June 2013	As at 30 June 2013	As at 30 June 2012
Tangible Assets												
Freehold land	86.57	-	-	0.38	86.95	-	-	-	-	-	86.95	86.57
Leasehold land	131.87	37.48	-	-	169.35	11.11	1.73	-	-	12.84	156.51	120.76
Buildings	967.54	313.33	-	5.45	1,286.32	154.64	60.38	-	1.14	216.16	1,070.16	812.90
Plant and machinery	772.42	161.11	13.70	2.68	922.51	531.30	116.54	13.55	1.26	635.55	286.96	241.12
Office Equipment	235.02	22.80	12.38	2.88	248.32	185.20	25.14	12.24	2.31	200.40	47.92	49.82
Computers - owned	1,492.58	185.63	213.90	31.47	1,495.78	1,033.19	272.05	206.91	27.64	1,125.97	369.81	459.39
Furniture and fittings- owned	587.97	68.55	38.13	6.76	625.15	489.17	48.33	35.30	5.99	508.19	116.96	98.80
Vehicles - owned	52.12	31.91	7.16	0.04	76.91	13.39	12.52	2.37	0.04	23.58	53.33	38.73
- leased	23.36	-	11.24	-	12.12	13.42	3.18	8.42	-	8.18	3.94	9.94
Total (A)	**4,349.45**	**820.81**	**296.51**	**49.66**	**4,923.41**	**2,431.42**	**539.87**	**278.79**	**38.38**	**2,730.87**	**2,192.54**	**1,918.03**
Intangible Assets												
Goodwill	4,538.19	-	193.50	242.20	4,586.89	146.83	-	-	6.75	153.58	4,433.32	4,391.36
Software	683.10	85.17	105.77	10.87	673.37	549.21	95.70	96.63	7.44	555.72	117.65	133.89
Intellectual property rights	11.08	-	-	0.47	11.55	1.26	1.19	-	0.07	2.52	9.03	9.82
Total (B)	**5,232.37**	**85.17**	**299.27**	**253.54**	**5,271.81**	**697.30**	**96.89**	**96.63**	**14.26**	**711.82**	**4,560.00**	**4,535.07**
Total (A)+(B)	**9,581.82**	**905.98**	**595.78**	**303.20**	**10,195.22**	**3,128.72**	**636.76**	**375.42**	**52.64**	**3,442.69**	**6,752.54**	**6,453.10**
Previous year	7,829.77	904.65	164.28	1,011.68	9,581.82	2,583.99	549.24	155.56	151.05	3,128.72	6,453.10	5,245.78

Note:-

1. Gross block and additions to fixed assets include ₹ 16.06 crores and ₹ 1.70 crores (Previous year ₹ 19.53 and ₹ 3.33 crores) respectively and accumulated depreciation and charge for the year of ₹ 5.39 crores and ₹ 1.13 crores (Previous year ₹ 6.65 and ₹ 1.88 crores) respectively in respect of the Company's share of fixed assets on account of proportionate consolidation of joint ventures. (refer note 3.35)

2. Deletion from fixed assets and accumulated depreciation include ₹ 6.83 crores and ₹ 4.23 crores respectively, on account of divestment of the Group 49% stake in NEC HCL System Technologies Limited ("NECH"), a joint venture company (refer note 3.35)

Notes to consolidated financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

3.11 Investments

	As at	
	30 June 2013	**30 June 2012**
Non-current investments- at cost		
(Non trade and quoted)		
Investment in bonds(refer note 1 and 3 (i) below)	50.00	94.64
Aggregate amount of quoted investments (A)	**50.00**	**94.64**
Investment in Associates (Trade and unquoted) 8,000,000 equity shares (Previous year 8,000,000 equity shares) of $1 each Investment in Statestreet Holding UK Limited **(B)**	35.87	32.36
Aggregate amount of non- current investments (A+B)	**85.87**	**127.00**
Current investments (At lower of cost and fair value) (unquoted) Investment in mutual fund(refer note 2 and 3 (ii) below) **(Non trade and quoted)**	582.83	546.20
Investment in bonds(refer note 1 and 3 (i) below)	44.34	-
Aggregate amount of current investments	**627.17**	**546.20**

Note:-

1. Market value of current investments and non current investments in bonds as on 30 June 2013 is ₹ 43.94 crores (Previous year ₹ nil) and ₹ 48.42 crores (Previous year ₹ 91.54 crores) respectively.
2. Net asset value of current investments in mutual funds as on 30 June 2013 is ₹ 589.56 crores (Previous year ₹ 546.20 crores).
3. The details of investments in mutual funds/ bonds are provided below:

i) Details of Investments in bonds - Non trade and quoted

	Face Value	Balance as at 30 June 2013		Balance as at 30 June 2012	
		Units	Amount	Units	Amount
Indian Railway Finance 6% 2015 (Series 68)	100,000	5,000	50.00	5,000	50.00
IIFCL 6.85% 2014 (Tax Free Bonds)	100,000	4,418	44.34	4,418	44.64
Total			**94.34**		**94.64**

ii) Details of current investments in mutual funds (unquoted)

	Face Value	Balance as at 30 June 2013		Balance as at 30 June 2012	
		Units	Amount	Units	Amount
Daily Dividend					
Kotak Liquid fund-IP	-	-	-	73,443,408	89.81
TATA Liquid Fund-Super High Investment Plan	-	-	-	695,645	77.53
ICICI Prudential Institutional Liquid Plan -Super Institutional	-	-	-	10,122,109	101.24
SBI Premier Liquid Fund Super IP	-	-	-	1,304,468	130.87
UTI Liquid Fund-Cash Plan	-	-	-	1,290,487	131.56
DSP BlackRock Liquidity Fund-IP	-	-	-	151,877	15.19
Growth Fund					
DSP BlackRock Liquidity Fund-IP	1,000	359,777	60.41	-	-
HDFC Liquid Fund Growth	10	51,685,375	121.58	-	-
ICICI Prudential Liquid Super Inst Plan-Growth	100	11,083,126	195.72	-	-
SBI Premier Liquid Fund Super IP-Growth	1,000	114,428	21.26	-	-
TATA Liquid Fund-Plan A-Growth	1,000	192,447	41.68	-	-
UTI Liquid Fund-Cash Plan-Growth	1,000	740,275	142.18	-	-
Total			**582.83**		**546.20**

Notes to consolidated financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

3.12 Deferred Tax Assets (net)

	As at	
	30 June 2013	30 June 2012
Deferred tax assets:		
Business losses *	57.87	54.51
Provision for doubtful debts	94.94	64.65
Accrued employee costs	234.95	223.22
Unrealized loss on derivative financial instruments	142.75	93.94
Depreciation and amortization	94.39	64.33
Employee stock compensation	37.91	30.89
Others	152.09	145.34
Gross Deferred Tax Assets (A)	**814.90**	**676.88**
Deferred tax liabilities:		
Depreciation and amortization	20.38	-
Others	52.64	15.31
Gross Deferred Tax Liabilities (B)	**73.02**	**15.31**
Net Deferred Tax Assets (A-B)	**741.88**	**661.57**

* *The Group's subsidiaries which are having a consistent profit history 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 2013	30 June 2012
Unsecured, considered good		
Capital advances	162.46	68.69
Capital advances-related parties	1.08	0.61
Security deposits	201.01	188.41
Others		
MAT credit entitlement	343.57	331.01
Inter corporate deposit with HDFC Limited	-	50.00
Prepaid expenses	86.08	67.73
Loans and advances to employees	0.33	1.09
Finance lease receivables (refer note 3.26 iii(a))	479.43	288.70
	1,273.96	**996.24**
Unsecured, considered doubtful		
Security deposit	-	1.62
Less: Provision for doubtful advances	-	(1.62)
	1,273.96	**996.24**

3.14 Other non- current assets

	As at	
	30 June 2013	30 June 2012
Unsecured considered good unless otherwise stated		
Deferred cost	417.46	284.07
Bank deposits more than 12 months (refer note 1 below)	0.19	118.72
Unrealized gain on derivative financial instruments	0.06	-
Interest receivable	-	23.30
	417.71	**426.09**

Note:

1. Pledged with banks as security for guarantees and letter of credit ₹ 0.19 crores (Previous year ₹ 8.69 crores)

Notes to consolidated financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

3.15 Inventories

	As at	
	30 June 2013	30 June 2012
Inventories		
Stock in trade [including in transit ₹ 1.81crores (Previous year ₹ 2.25 crores)]	229.95	214.27
Stores and spares	1.55	11.89
	231.50	**226.16**

3.16 Trade receivables (Unsecured) (Refer note 3.32)

		As at	
		30 June 2013	30 June 2012
(a)	**Considered good unless stated otherwise outstanding for a period exceeding six months from the date they are due for payment**		
	Unsecured considered good	137.64	90.42
	Unsecured considered doubtful	157.84	119.16
		295.48	**209.58**
	Provision for doubtful receivables	(157.84)	(119.16)
Total (A)		**137.64**	**90.42**
(b)	**Other receivables**		
	Unsecured considered good	4,359.51	3,785.24
	Unsecured considered doubtful	196.23	94.97
		4,555.74	**3,880.21**
	Provision for doubtful receivables	(196.23)	(94.97)
Total (B)		**4,359.51**	**3,785.24**
Total (A)+(B) (refer note 1 below)		**4,497.15**	**3,875.66**

Note:-

1. Includes receivables from related parties amounting to ₹ 7.29 crores (Previous year ₹ 10.58 crores)

3.17 Cash and bank balances

		As at	
		30 June 2013	30 June 2012
(a)	Cash and cash equivalent		
	Balance with banks		
	- in current accounts	547.02	526.26
	- in deposits with original maturity of less than 3 months	11.93	11.47
	Cheques in hand	36.38	34.82
	Cash in hand	-	0.05
	Remittances in transit	123.01	101.70
	Unclaimed dividend account	2.36	2.37
		720.70	**676.67**
(b)	Other bank balances		
	Deposits with original maturity for more than 3 months but less than 12 months(refer note 1 below)	2,856.41	1,271.02
		3,577.11	**1,947.69**

Note:-

1. Pledged with banks as security for guarantees and letter of credit ₹ 0.25 crores (Previous year ₹ 4.40 crores)

Notes to consolidated financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

3.18 Short- term loans and advances

	As at	
	30 June 2013	30 June 2012
Unsecured , considered good;		
Loans and advances to related parties	1.10	2.30
Others		
Security deposits	24.54	22.07
Inter corporate deposit with HDFC Limited	742.00	50.00
Advance to suppliers	47.16	71.46
Prepaid expenses	207.74	197.18
Loans and advances to employees	73.43	44.34
Finance lease receivables (refer note 3.26 (iii) (a))	212.40	139.90
Service Tax Receivable	151.26	123.53
Other loan and advances	112.18	23.91
	1,571.81	**674.69**
Unsecured, considered doubtful		
Loans and advances to employees	38.36	10.18
Loans and advances to others	6.55	7.28
	44.91	**17.46**
Less: Provision for doubtful advances	(44.91)	(17.46)
	1,571.81	**674.69**

3.19 Other current assets

	As at	
	30 June 2013	30 June 2012
Unbilled receivables	1,685.53	1,490.57
Unbilled receivables-related parties	19.43	16.46
Deferred cost	278.76	254.19
Interest receivable	72.57	11.26
Advance tax (refundable)	62.53	46.49
Unrealized gain on derivative financial instruments	9.96	5.95
	2,128.78	**1,824.92**

3.20 Revenue from operations

	Year ended	
	30 June 2013	30 June 2012
Sale of services	24,350.92	20,114.39
Sale of hardware and software	1,230.14	716.16
	25,581.06	**20,830.55**

Notes to consolidated financial statements for the year ended 30 June 2013
(All amounts in crores of ₹, except share data and as stated otherwise)

3.21 Other income

	Year ended	
	30 June 2013	30 June 2012
Interest income		
- On fixed deposits	204.60	113.96
- On investment	6.03	6.03
- Others	2.69	18.47
Profit on sale of current investments	16.57	-
Profit on sale of long term investment in joint venture (refer note 3.35)	26.68	-
Dividends from investments	23.95	34.65
Provision for liabilities no longer required written back	-	0.40
Profit on sale of fixed assets (refer note 1 below)	0.07	1.72
Exchange differences (net)	44.50	-
Miscellaneous income	26.02	31.27
	351.11	**206.50**

Note:-
1. Net of loss on sale of fixed assets ₹ 6.77 crores (Previous year ₹ 1.26 crores)

3.22 Cost of materials

	Year ended	
	30 June 2013	30 June 2012
Opening stock	212.02	139.18
Purchases of traded goods	975.46	684.83
	1,187.48	**824.01**
Closing stock	(228.14)	(212.02)
	959.34	**611.99**

3.23 Employee benefit expenses

	Year ended	
	30 June 2013	30 June 2012
Salaries, wages and bonus	11,026.94	9,722.79
Contribution to provident fund and other employee funds	1,457.77	1,183.56
Staff welfare expenses	74.49	62.91
Employee stock compensation expense	14.97	135.29
	12,574.17	**11,104.55**

Notes to consolidated financial statements for the year ended 30 June 2013
(All amounts in crores of ₹, except share data and as stated otherwise)

3.24 Finance cost

	Year ended	
	30 June 2013	30 June 2012
Interest		
-on debentures	48.02	73.03
-on loans from banks	22.68	34.35
-on leased assets	1.62	4.96
-others	8.45	4.25
Exchange differences to the extent considered as an adjustment to borrowing costs	-	5.04
Bank charges	24.85	21.00
	105.62	**142.63**

3.25 Other expenses

	Year ended	
	30 June 2013	30 June 2012
Rent	328.00	312.02
Power and fuel	228.58	193.05
Insurance	29.81	23.84
Repairs and maintenance		
- Plant and machinery	44.45	48.35
- Buildings	62.05	45.16
- Others	112.25	107.92
Communication costs	284.77	242.31
Books and periodicals	24.27	22.81
Travel and conveyance	1,137.23	1,028.25
Business promotion	22.19	30.61
Legal and professional charges	185.77	139.53
Outsourcing costs	2,842.04	2,393.75
Software license fee	144.51	149.60
Software tools	2.88	0.96
License and transponder fee	30.47	27.54
Printing and stationery	19.19	21.24
Rates and taxes	157.79	73.00
Advertising and publicity	18.63	11.03
Provision for doubtful advances / advances written off	23.02	7.54
Donations	11.13	4.28
Recruitment, training and development	109.49	131.99
Provision for doubtful debts / bad debts written off	150.15	109.41
Loss on sale of business (refer note 2(a))	13.19	-
Loss on sale of investment	6.09	-
Exchange differences (net)	-	34.63
Miscellaneous expenses	398.44	260.02
	6,386.39	**5,418.84**

Notes to consolidated financial statements for the year ended 30 June 2013

(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

a) The Company 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 2013	Interest included in minimum lease payments	Present value of minimum lease payments
Not later than one year	98.06	7.93	90.13
	(73.29)	(7.94)	(65.35)
Later than one year and not later than 5 years	268.40	10.06	258.34
	(202.30)	(10.41)	(191.89)
	366.46	**17.99**	**348.47**
	(275.59)	(18.35)	(257.24)

Previous year figures are in brackets.

ii) Operating Lease

a) 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 ₹ 283.98 crores (Previous year ₹ 311.67 crores). The rent equalization reserve amount for non-cancellable operating lease payable in future years and accounted for by the Group is ₹ 113.53 crores (Previous year ₹ 78.17 crores). Future minimum lease payments and the payment profile of non-cancellable operating lease are as follows:

	Year ended	
	30 June 2013	30 June 2012
Not later than one year	262.62	247.73
Later than one year and not later than 5 years	694.66	556.87
Later than five years	589.14	607.73
	1,546.42	**1,412.33**

iii) Finance Lease: Incase of assets given on lease

a) The Group has given networking equipments to its customers on a finance lease basis. The future lease receivables in respect of assets given on finance lease are as follows:

	Total minimum lease payments receivable as on 30 June 2013	Interest included in minimum lease payments receivable	Present value of minimum lease payments receivable
Not later than one year	247.50	35.10	212.40
	(152.99)	(13.09)	(139.90)
Later than one year and not later than 5 years	559.47	84.18	475.29
	(295.88)	(7.18)	(288.70)
Later than 5 years	4.56	0.42	4.14
	(-)	(-)	(-)
	811.53	**119.70**	**691.83**
	(448.87)	(20.27)	(428.60)

Previous year figures are in brackets.

Notes to consolidated financial statements for the year ended 30 June 2013

(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 2013	30 June 2012
Net profit as per Statement of profit and loss for computation of EPS	4,040.09	2,422.70
Weighted average number of equity shares outstanding in calculating Basic EPS	694,783,323	691,023,929
Dilutive effect of stock options outstanding	11,501,304	12,576,329
Weighted average number of equity shares outstanding in calculating dilutive EPS	706,284,627	703,600,258
Nominal value of equity shares (in ₹)	2.00	2.00
Earnings per equity share (in ₹)		
- Basic	58.15	35.06
- Diluted	57.20	34.43

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 serves different markets. The analysis of geographical segments is based on the areas in which major entities of the Group operate.

(i) Business Segments

The operations of the Group predominately relate to providing software services, infrastructure services including sale of networking equipment and business processing outsourcing services, which are in the nature of customer contact centres and technical help desks. 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 service 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. Secondary segmental reporting is performed on the basis of the geographical location of customers and assets.

Revenue in relation to service segments is categorized based on items that are individually identifiable to that segment, while expenditure is categorized in relation to the associated turnover of the segment. Assets and liabilities are also identified to service segments.

(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 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 principally 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 payable, other liabilities and borrowings. Segment liabilities do not include share capital, reserves, minority interest, 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 2013

(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	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)
Interest expense					(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 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

Financial information about the business segments for the year ended 30 June 2012 is as follows:

	Software services	Business process outsourcing services	Infrastructure services	Inter segment transactions / eliminations	Total
Revenue					
- External revenue	14,774.77	956.22	5,099.56	-	20,830.55
- Internal revenue	-	-	-	-	-
Total	**14,774.77**	**956.22**	**5,099.56**	**-**	**20,830.55**
Segment results	**2,667.64**	**(30.70)**	**793.28**	**-**	**3,430.22**
Unallocated corporate expenses					(284.29)
Interest expense					(142.63)
Other income					68.04
Interest income					138.46
Net profit before taxes					**3,209.80**
Tax expense					**(782.72)**
Share of loss of associates					(4.31)
Minority interest					(0.07)
Net profit after taxes					**2,422.70**
Assets					
Segment assets	9,971.70	510.23	3,240.09	-	13,722.02
Unallocated assets	-	-	-	-	4,615.77
Total assets					**18,337.79**
Liabilities					
Segment liabilities	4,674.54	205.38	2,036.33	-	6,916.25
Unallocated liabilities	-	-	-	-	1,582.61
Total liabilities					**8,498.86**
Capital expenditure					
Capital expenditure	598.37	25.73	265.73	-	889.83
Unallocated corporate capital expenditure	-	-	-	-	15.97
Total					**905.80**
Significant non-cash adjustments					
Depreciation	293.18	50.76	186.86	-	530.80
Unallocated corporate depreciation	-	-	-	-	18.44
Total					**549.24**
Provision / written off for doubtful debts and advances					116.95

Notes to consolidated financial statements for the year ended 30 June 2013

(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 2013	30 June 2012
America	14,798.48	11,242.71
Europe	6,789.44	5,527.72
India	1,076.73	948.78
Others	2,916.41	3,111.34
Total	**25,581.06**	**20,830.55**

Carrying value of segment assets by geographic area based on geographic location of assets is as follows:

	Carrying amount of segment assets	
	30 June 2013	30 June 2012
America	4,290.89	5,955.30
Europe	6,496.27	3,676.89
India	10,583.60	7,518.00
Others	1,028.56	1,187.60
Total	**22,399.32**	**18,337.79**

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 2013	30 June 2012
America	80.94	101.81
Europe	46.37	71.74
India	480.06	720.66
Others	9.69	11.59
Total	**617.06**	**905.80**

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 (Incorporated w.e.f. 22 February 2013)

b) **Related parties with whom transactions have taken place during the year**

Jointly controlled entities

NEC HCL System Technologies Limited, India (upto 26 April 2013)
Axon Puerto Rico Inc., Puerto Rico

Key Management Personnel

Shiv Nadar – Chairman and Chief Strategy Officer
Vineet Nayar - Vice - Chairman and Joint Managing Director

Others (Significant influence)

Vama Sundari Investments (Delhi) Private Limited (Slocum investments (Delhi) Private Limited merged with Vama Sundari Investments (Delhi) Private Limited w.e.f 22 March 2013)
HCL Corporation Private Limited
HCL Infosystems Limited
HCL Holding Private Limited
HCL Insys. Pte. Limited, Singapore
Digilife Distribution and Marketing Services Limited

Associates

Statestreet Services (India) Private Limited

Notes to consolidated financial statements for the year ended 30 June 2013
(All amounts in crores of ₹, except share data and as stated otherwise)

Transactions with related party during the normal course of business:

	Jointly contolled		Others		Dividend Paid	
	Year ended 30 June		Year ended 30 June		Year ended 30 June	
	2013	2012	2013	2012	2013	2012
Sale of materials and services	**34.42**	**25.50**	**8.60**	**6.14**	**-**	**-**
- NEC HCL Systems Technologies Limited	18.64	12.22	-	-	-	-
- Axon Puerto Rico Inc.	12.83	10.84	-	-	-	-
- HCL Infosystems Limited	-	-	8.60	6.14	-	-
-Statestreet HCL Services (India) Private Limited	2.95	-	-	-	-	-
-Others	-	2.44	-	-	-	-
Purchase of materials and services	**6.19**	**8.62**	**90.10**	**83.74**	**-**	**-**
-HCL Infosystems Limited	-	-	89.83	83.15	-	-
-Axon Puerto Rico Inc.	6.19	8.62	-	-	-	-
-Others	-	-	0.27	0.59	-	-
Payment for use of facilities	**-**	**-**	**1.55**	**2.09**	**-**	**-**
-HCL Infosystems Limited	-	-	1.55	1.50	-	-
-HCL Corporation Private Limited	-	-	-	0.59	-	-
Purchase of capital equipments		**-**	**22.98**	**93.89**	**-**	**-**
-HCL Infosystems Limited	-	-	21.00	82.51	-	-
-Digilife Distribution and Marketing Services Limited	-	-	0.45	5.95	-	-
-Others	-	-	1.53	5.43	-	-
Others (Significant influence)	**-**	**-**	**-**	**-**	**431.52**	**442.98**
-Vama Sundari Investments (Delhi) Private Limited	-	-	-	-	311.97	322.86
-HCL Holding Private Limited	-	-	-	-	119.55	120.12

Transactions with Key Managerial personnel during the year

	Year ended 30 June	
	2013	2012
Chairman and Chief Strategy Officer		
i) Remuneration	13.60	9.84
Vice-Chairman and Joint Managing Director		
i) Remuneration	9.27	8.52
ii) Dividend Paid (includes shares held through family trust)	0.20	2.10
iii) Stock options		
- Exercised – No's (oprions)	250,000	250,000
- Exercise price – ₹	8	8

Notes to consolidated financial statements for the year ended 30 June 2013

(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 2013	30 June 2012	30 June 2013	30 June 2012
Trade receivables	**4.99**	**4.24**	**2.30**	**6.34**
-HCL Infosystems Limited	-	-	2.30	1.69
-NEC HCL Systems Technologies Limited	-	3.37	-	-
-Axon Puerto Rico Inc.	3.95	0.87	-	-
-Statestreet HCL Services (India) Private Limited	1.04	-	-	-
-Others	-	-	-	4.65
Capital Advance	**-**	**-**	**1.08**	**0.61**
-HCL Infosystems Limited	-	-	0.43	0.47
-Others	-	-	0.65	0.14
Unbilled Receivables	**2.96**	**2.05**	**16.47**	**14.41**
-HCL Infosystems Limited	-	-	16.47	14.41
-Axon Puerto Rico Inc.	0.01	1.01	-	-
-NEC HCL Systems Technologies Limited	-	1.04	-	-
-Statestreet HCL Services (India) Private Limited	2.95	-	-	-
Loan and Advances	**0.07**	**-**	**1.03**	**2.30**
-HCL Infosystems Limited	-	-	1.03	2.24
-Statestreet HCL Services (India) Private Limited	0.07	-	-	-
-Others	-	-	-	0.06
Capital Accounts Payable	**-**	**-**	**7.87**	**2.57**
-HCL Infosystems Limited	-	-	7.87	1.92
-Others	-	-	-	0.65
Supplier Credit	**-**	**-**	**48.28**	**-**
-HCL Infosystems Limited	-	-	48.28	-
Trade payables and other current liabilities	**1.94**	**0.69**	**8.29**	**16.28**
-HCL Infosystems Limited	-	-	8.24	16.10
-Axon Puerto Rico Inc.	1.17	-	-	-
-NEC HCL Systems Technologies Limited	-	0.69	-	-
-Others	0.77	-	0.05	0.18

3.30 Research and Development Expenditure

	Year ended	
	30 June 2013	30 June 2012
Revenue	157.92	167.81
Capital	-	-
	157.92	**167.81**

3.31

(a) Commitments and Contingent Liabilities

		As at	
		30 June 2013	30 June 2012
i)	**Capital and Other Commitments**		
	Capital commitments		
	Estimated amount of unexecuted capital contracts (net of advances)	1,161.37	562.92
ii)	**Contingent Liabilities**		
	Others	13.53	11.16
		1,174.90	**574.08**

Notes to consolidated financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

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 ₹ 75.71 crores (Previous year ₹ 30.29 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 2013, the Group has negotiated extended interest bearing credit terms with certain vendors and issued ₹ 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 1.2% to 10.0%. The Group also has letters of credit amounting to ₹ 1.26 crores outstanding for year ended 30 June 2013 in other normal course of business.

3.32 Sale of Receivables

The Group has revolving trade receivables based facilities permitting it to sell certain trade receivables to banks on a non-recourse basis in the normal course of business. The aggregate maximum capacity under these programs was ₹ 593.90 crores as on 30 June 2013 and the maximum capacity utilized by the Group at any point of time during the year was ₹ 207.87 crores. Gains or losses on sale are recorded at the time of transfar of these trade receivables and was immaterial. The Group has retained servicing obligations, which are limited to collection activities related to the non-recourse sales of trade receivables. As a 30 June 2013, the Group had the entire limit of ₹ 593.90 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, 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 provide principles on the use of such forward contracts and currency options consistent with the Group's Risk Management Policy. The counter parties 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.

The following table presents the aggregate contracted principal amounts of the Group's derivative contracts outstanding:

Sell covers	As at 30 June 2013	2012
Foreign Currency	**Rupee equivalent (₹ in Crores)**	
USD / INR	8,319.67	4,772.58
GBP / INR	452.50	60.86
EURO / INR	1,129.71	56.07
EURO / USD	174.70	49.06
AUD / INR	16.44	-
AUD / USD	47.94	124.82
SGD/USD	21.12	-
JPY / USD	-	26.24
ZAR / USD	64.73	52.03
CAD / USD	62.32	65.34
MYR / USD	-	36.78
SEK / USD	84.46	20.39
	10,373.59	**5,264.17**

Buy covers	As at 30 June 2013	2012
Foreign Currency	**Rupee equivalent (₹ in Crores)**	
JPY / USD	41.98	-
MYR / USD	15.97	-
GBP / USD	208.15	-
SGD / USD	52.81	19.75
	318.91	**19.75**

Notes to consolidated financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

Options	As at 30 June	
	2013	2012
	Rupee equivalent (₹ in Crores)	
Range Forward		
USD / INR	545.50	1,529.20
GBP / INR	-	99.11
EURO / INR	-	47.66
Seagull		
USD / INR	-	395.03
EURO / USD	-	234.81
GBP / USD	-	21.73
EURO / INR	-	116.35
Total	**545.50**	**2,443.89**

The following table summarizes activity in the hedging reserves related to all derivatives classified as cash flow hedges during the years ended 30 June 2013 and 2012:

	Year ended 30 June	
	2013	2012
(Loss)/Gain as at the beginning of the year	(479.66)	23.51
Unrealized loss on cash flow hedging derivatives during the year	(218.19)	(645.93)
Net losses reclassified into net income on occurrence of hedged transactions	66.58	142.76
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)	(631.27)	(479.66)

As of the balance sheet date, the Company's net foreign currency exposure that is not hedged is ₹ 916.88 crores (Previous year ₹ 712.83 crores).

Notes:

1. Balance as at year end is inclusive of deferred tax assets of ₹ 142.75 crores (Previous year deferred tax assets of ₹ 93.94 crores).
2. As at 30 June 2013, the estimated net amount of existing loss that is expected to be reclassified into the income statement within next twelve months is ₹ 386.53 crores (Previous year loss of ₹ 212.01 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's Pension Scheme.

During the year the Company has recognized the following amounts in the statement of profit and loss :-

	Year ended 30 June	
	2013	2012
Superannuation Fund	2.20	8.36
Employer's contribution to Employees State Insurance	3.30	3.50
Employer's contribution to Employee's Pension Scheme	41.93	40.04
Total	**47.43**	**51.90**

Subsidiaries in US

Total contributions made to the plan by the company, for the years ended 30 June 2013 is ₹ 47.15 crores (Previous year ₹ 41.01 crores).

Notes to consolidated financial statements for the year ended 30 June 2013
(All amounts in crores of ₹, except share data and as stated otherwise)

Subsidiaries in Australia

Total contributions made to the plan by the company, for the years ended 30 June 2013 is ₹ 36.78 crores (Previous year ₹ 23.69 crores).

Subsidiaries in Europe

Total contributions made to the plan by the company, for the years ended 30 June 2013 is ₹ 71.54 crores (Previous year ₹ 40.46 crores).

Subsidiaries in Asia (excluding India)

Total contributions made to the plan by the company, for the years ended 30 June 2013 is ₹ 41.77 crores (Previous year ₹ 41.50 crores).

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 at 15 days salary (last drawn salary) for each completed year of service.

The following table sets out the status of the gratuity plan as required under Accounting Standard 15 (Revised):

Statement of profit and loss

Net employee benefit expense (recognized in Employee Cost)

	Year ended 30 June	
	2013	2012
Current Service cost	36.44	28.64
Interest cost on benefit obligation	14.27	10.42
Expected return on plan assets	-	-
Net Actuarial loss recognized in the year	5.68	18.92
Past Service cost	-	-
Net benefit expense	**56.39**	**57.98**

Balance Sheet

Details of Provision for Gratuity

	Year ended 30 June	
	2013	2012
Defined benefit obligations	195.97	156.07
Fair value of plan assets	0.08	0.08
	196.05	156.15
Less: Unrecognized past service cost	-	-
Plan liability	**196.05**	**156.15**

Changes in present value of the defined benefit obligation are as follows:

	Year ended 30 June	
	2013	2012
Opening defined benefit obligations	156.07	111.37
Current service cost	36.44	28.64
Interest cost	14.27	10.42
Actuarial loss on obligation	5.68	18.92
Benefits paid	(16.41)	(13.28)
Closing defined benefit obligations	**196.05**	**156.07**

Notes to consolidated financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

Changes in fair value of the plan assets are as follows:

	Year ended 30 June	
	2013	2012
Opening fair value of plan assets	0.08	0.08
Expected returns	-	0.01
Contribution by employer	-	(0.01)
Benefits paid	-	-
Actuarial (gain)/loss	-	-
Closing fair value of plan assets	**0.08**	**0.08**

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	
	2013	2012
Discount rate	7.45%	8.10%
Estimated Rate of salary increases	7.00%	7.00%
Employee Turnover	17.00%	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 2013	30 June 2012	30 June 2011	30 June 2010	30 June 2009
Defined benefit obligations	196.05	156.15	111.37	94.36	78.70
Plan assets	0.08	0.08	0.08	0.05	-
Experience adjustment on plan liabilities	(1.88)	8.92	5.15	(2.23)	(6.69)
Experience adjustment on plan assets	-	-	-	-	-

Employers Contribution to Provident Fund

The guidance note on implementing AS-15, Employee Benefits (revised 2005) issued by Accounting Standard Board (ASB) states that benefits involving employer established provident funds, which require interest shortfalls to be recompensed are to be considered as defined benefit plans. The Actuarial Society of India has issued the final guidance for measurement of provident fund liabilities. The actuary has accordingly provided a valuation and based on the assumption mentioned below there is no shortfall as at 30 June 2013.

The details of the fund and plan asset position are given below:-

	30 June 2013	30 June 2012
Plan assets at the year end	1,303.73	1,035.06
Present value of benefit obligation at year end	1,303.73	1,035.06
Asset recognized in balance sheet	-	-

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

	30 June 2013	30 June 2012
Government of India (GOI) bond yield	7.45%	8.10%
Remaining term of maturity	9.29 years	8.03 years
Expected guaranteed interest rate	8.50%	9.40%

During the year ended 30 June 2013, the Group has contributed ₹ 88.72 crores (Previous year ₹ 78.76 crores) towards employer's contribution to the Provident Fund.

Notes to consolidated financial statements for the year ended 30 June 2013

(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 entities:

NEC HCL System Technologies Ltd.

In June, 2005 ,the Company entered into a Joint Venture Agreement with NEC Corporation, Japan (“NEC”) and NEC System Technologies limited (“NECST”), Japan, a subsidiary of NEC, whereby the Company holds a 49% stake in established joint venture entity, NEC HCL System Technologies Limited (“NECH”) and NEC and NECST holds a 51% stake.

In March, 2013 Company entered into an agreement with NEC for the sale of its 49% stake in equity affiliate NECH at gross consideration of USD 12 million(₹ 66.32 crores).The sale was completed during the year on 26 April, 2013.

In consequent to the sale of its holding in NECH to NEC, the Company has recorded a gain of ₹ 26.68 crores, net of related expenses in the year ended 30 June 2013.

The aggregate amounts of assets, liabilities, 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	30 June 2012
Revenue from operations	57.81	41.01
Other income	2.12	0.96
Total revenue	**59.93**	**41.97**
Employee benefit expenses	26.54	16.73
Other expenses	13.33	12.60
Depreciation and amortization expense	1.36	0.96
Total expenses	**41.23**	**30.29**
Profit before tax	**18.70**	**11.68**
Provision for tax	6.29	3.95
Net profit after tax	**12.41**	**7.73**

	Year ended	
	30 June 2013	30 June 2012
Assets		
Tangible assets		
Computers	-	1.57
Furniture and fixture	-	0.46
Total tangible assets (A)	**-**	**2.03**
Intangible assets		
Software	-	0.29
Total intangible assets (B)	**-**	**0.29**
Total fixed assets (A+B)	**-**	**2.32**
Trade receivables	-	11.79
Cash and bank balances	-	12.28
Other current assets	-	5.88
Liabilities		
Liabilities and provisions	-	5.03

Name of the Company	Shareholding as on 30 June 2013	Shareholding as on 30 June 2012	Incorporated in
Axon Puerto Rico Inc.	49%	49%	Puerto Rico

Notes to consolidated financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

	Year ended	
	30 June 2013	30 June 2012
Revenue from operations	39.38	26.86
Other income	-	-
Total revenue	**39.38**	**26.86**
Employee benefit expenses	31.52	18.51
Other expenses	6.22	4.72
Depreciation and amortization expense	1.48	1.35
Total expenses	**39.22**	**24.58**
Profit before tax	**0.16**	**2.28**
Provision for tax	0.07	0.08
Net profit after tax	0.09	2.20

	Year ended	
	30 June 2013	30 June 2012
Assets		
Tangible assets		
Buildiing	7.25	8.05
Plant and machinery	3.41	2.22
Total tangible assets (A)	**10.66**	**10.27**
Intangible assets		
Software	-	-
Total intangible assets (B)	**-**	-
Total fixed assets (A+B)	**10.66**	**10.27**
Trade receivables	12.88	5.06
Cash and bank balances	5.51	8.27
Other current assets	0.49	1.86
Liabilities		
Liabilities and provisions	21.25	18.02

Notes:

a. Axon Puerto Rico Inc. financial statements are for the period ended 31 May 2013 and 2012 respectively.

b. There is no material transaction between the reporting dates of the JV and that of Group.

Notes to consolidated financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

3.36 Scheme of arrangement

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 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 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 2013

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

Noida (UP), India
31 July 2013

Statement regarding Subsidiary Companies pursuant to Section 212 of the Companies Act, 1956

S.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, 2013	For previous financial years of the subsidiary since it became the Holding Company's subsidiary	For the year ended June 30, 2013	For previous financial years of the subsidiary since it became the Holding Company's subsidiary
1	HCL Bermuda Limited	30-Jun-13	409,670,582	100	270,533	(1,811,720)	Nil	Nil
2	HCL America Inc.	30-Jun-13	7,474,410	100	2,136,537	4,692,981	Nil	Nil
3	HCL Great Britain Limited	30-Jun-13	10,568,334	100	1,102,378	915,451	Nil	Nil
4	HCL Sweden AB	30-Jun-13	10,000	100	101,830	178,679	Nil	Nil
5	HCL (Netherlands) BV	30-Jun-13	400	100	155,117	569,960	Nil	Nil
6	HCL GmbH	30-Jun-13	257	100	123,181	(16,014)	Nil	Nil
7	HCL Italy SLR	30-Jun-13	20,000,000	100	29,132	(193,986)	Nil	Nil
8	HCL Belgium NV	30-Jun-13	63,259	100	54,728	(56,381)	Nil	Nil
9	HCL Australia Services Pty. Limited	30-Jun-13	500,000	100	314,803	2,302,372	Nil	Nil
10	HCL (New Zealand) Limited	30-Jun-13	10	100	(357,439)	908,597	Nil	Nil
11	HCL Hong Kong SAR Limited	30-Jun-13	193,167	100	24,843	188,549	Nil	Nil
12	HCL Japan Limited	30-Jun-13	4,400	100	131,873	196,387	Nil	Nil
13	HCL Technologies Austria GmbH	31-Dec-12	6,500,000	100	20,722	4,163,581	Nil	Nil
14	HCL Global Processing Services Limited	30-Jun-13	106,070	100	22,650	286,375	Nil	Nil
15	HCL Comnet Systems & Services Limited	30-Jun-13	1,280	100	(93,425)	10,222,296	Nil	19,610
16	HCL Arabia LLC	31-Dec-12	1,000	100	(21,010)	(2,842)	Nil	Nil
17	HCL BPO Services (NI) Limited	30-Jun-13	4,444,445	100	(360,009)	(795,949)	Nil	Nil
18	HCL Comnet Limited	30-Jun-13	949,900	100	330,532	867,525	Nil	Nil
19	Anzospan Investments (PTY) Limited	30-Jun-13	40,000,000	100	(43)	(21)	Nil	Nil
20	HCL Singapore Pte Limited	30-Jun-13	2,000,000	100	660,792	1,500,020	82,821	412,712
21	HCL (Malaysia) Sdn. Bhd	30-Jun-13	100,000	100	(2,312)	360,431	Nil	Nil
22	HCL Technologies Solutions Limited (formerly known as HCL EAI Services Limited)	30-Jun-13	1,050,100	100	(5,636)	(3,457)	Nil	Nil
23	HCL Technologies Denmark Apps	30-Jun-13	439,205	100	36,122	22,646	Nil	Nil
24	HCL Poland Sp.z.o.o.	30-Jun-13	277,000	100	(7,240)	34,003	Nil	Nil
25	HCL Technologies (Shanghai) Limited	31-Dec-12	Not Applicable	100	(18,966)	(37,280)	Nil	Nil
26	HCL Technologies France	30-Jun-13	2,516,000	100	39,617	(73,825)	Nil	Nil
27	HCL Expense Management Services Inc	30-Jun-13	1,000	100	225,966	(1,089,624)	Nil	Nil
28	Axon Group Limited	30-Jun-13	67,801,824	100	172,493	1,078,135	Nil	Nil
29	Axon Solutions Inc,	30-Jun-13	30,970	100	(892,191)	185,858	Nil	Nil
30	Bywater Limited	30-Jun-13	1,129,982	100	888	3,633	Nil	Nil
31	Axon Solutions Limited	30-Jun-13	100,150	100	215,661	2,495,947	Nil	Nil
32	HCL Axon Malaysia Sdn. Bhd.	30-Jun-13	10,000,000	100	(361,623)	(1,494,764)	Nil	Nil
33	HCL Axon Solutions (Shanghai) Co. Ltd.	31-Dec-12	Not Applicable	100	(51,013)	(200,616)	Nil	Nil
34	Axon Solutions Singapore Pte Ltd.	30-Jun-13	100,000	100	(22,017)	(84,165)	Nil	Nil
35	JSPC i-Solutions Sdn Bhd	30-Jun-13	1,000,000	100	(311)	386,788	Nil	Nil
36	JSP Consulting Sdn. Bhd.	30-Jun-13	500,000	100	(270)	(1,579)	Nil	Nil
37	HCL Technologies Philippines Inc.	30-Jun-13	291,578	100	(54,643)	(37,092)	Nil	Nil
38	HCL Technologies South Africa (Proprietary) Limited	30-Jun-13	2,975,000	100	76,795	8,299	Nil	Nil
39	HCL Axon Technologies Inc.	30-Jun-13	10,000	100	235,013	(678,762)	Nil	Nil
40	Axon Solutions Pty Limited	30-Jun-13	627,517	100	(120,884)	(588,504)	Nil	Nil
41	HCL Technologies Solution GmbH	30-Jun-13	20,000	100	(2,683)	(3,166)	Nil	Nil
42	Axon Acquisition Company, Inc.	30-Jun-13	1,000	100	-	-	Nil	Nil
43	HCL Technologies Norway AS	30-Jun-13	2,990	100	20,062	(7,523)	Nil	Nil
44	HCL Insurance BPO Services Ltd.	30-Jun-13	8,110,000	100	428,426	(537,717)	Nil	Nil

Statement regarding Subsidiary Companies pursuant to Section 212 of the Companies Act, 1956

S.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, 2013	For previous financial years of the subsidiary since it became the Holding Company's subsidiary	For the year ended June 30, 2013	For previous financial years of the subsidiary since it became the Holding Company's subsidiary
45	HCL America Solutions Inc. (formerly Known as HCL Technologies Product Design Services Inc.)	30-Jun-13	10	100	(531)	-	Nil	Nil
46	HCL EAS Limited	30-Jun-13	101,843,957	100	(258,045)	(1,823,885)	Nil	Nil
47	HCL Axon (Pty) Ltd.	30-Jun-13	87,000,000	100	116,107	215,659	Nil	Nil
48	HCL (Brazil) Technologia da informacao Ltda.	31-Dec-12	20,679,566	100	(102,609)	(422,356)	Nil	Nil
49	HCL Technologies Romania s.r.l.	30-Jun-13	35,329	100	481	(1,589)	Nil	Nil
50	HCL Hungary Kft	30-Jun-13	9,000,000	100	(1,773)	2,661	Nil	Nil
51	HCL Latin America Holding LLC	30-Jun-13	13,796	100	721	2,645	Nil	Nil
52	HCL Argentina s.a.	30-Jun-13	1,076,975	100	1,441	(6,017)	Nil	Nil
53	FILIAL ESPAÑOLA DE HCL TECHNOLOGIES, S.L.	30-Jun-13	30,000	100	6,245	(629)	Nil	Nil
54	HCL Mexico S. de R.L.	31-Dec-12	Not Applicable	100	11,296	2,029	Nil	Nil
55	HCL Investment (UK) Limited	30-Jun-13	5,750,100	100	(1,059)	(15)	Nil	Nil
56	HCL Eagle limited	30-Jun-13	91,997	92.00	1,877	(369)	Nil	Nil
57	PT. HCL Technologies Indonesia	30-Jun-13	500,000	100	(14,434)	(2,047)	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: 1 October, 2013

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)

S.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	Dividend
1	HCL Bermuda Limited	USD	59.39	40,662,586	(1,901,336)	38,854,666	93,416	-	-	270,533	-	270,533	-
2	HCL America Inc.	USD	59.39	443,905	23,784,925	58,983,976	34,755,146	-	123,121,391	4,793,830	2,657,293	2,136,537	-
3	HCL Great Britain Limited	GBP	90.50	956,402	2,484,853	13,297,950	9,856,695	-	26,355,895	1,451,617	349,239	1,102,378	-
4	HCL Sweden AB	SEK	8.84	884	328,869	3,073,051	2,743,298	-	3,995,390	138,581	36,751	101,830	-
5	HCL (Netherlands) BV	EUR	77.64	1,409	304,845	1,296,407	990,153	-	3,497,800	201,918	46,801	155,117	-
6	HCL GmbH	EUR	77.64	1,995	296,581	1,491,313	1,192,737	-	3,418,304	165,783	42,602	123,181	-
7	HCL Italy SLR	EUR	77.64	802	113,816	285,985	171,367	-	299,913	29,132	-	29,132	-
8	HCL Belgium NV	EUR	77.64	277,045	(22,580)	645,713	391,248	-	1,163,031	46,899	(7,829)	54,728	-
9	HCL Australia Services Pty. Limited	AUD	54.79	27,394	1,525,181	3,854,150	2,301,575	-	10,171,246	443,506	128,703	314,803	-
10	HCL (New Zealand) Limited	NZD	46.25	2,146	52,741	1,452,017	1,397,130	-	2,427,712	(516,452)	(159,013)	(357,439)	-
11	HCL Hong Kong SAR Limited	HKD	7.66	1,479	37,813	233,634	194,342	-	459,941	30,848	6,005	24,843	30,620
12	HCL Japan Limited	JPY	0.60	132,000	321,937	1,200,492	746,555	-	4,499,004	241,112	109,239	131,873	-
13	HCL Technologies Austria GmbH	EUR	77.64	34,266	5,999,004	6,268,243	234,973	-	4,771	20,849	127	20,722	-
14	HCL Global Processing Services Limited	INR	1.00	1,061	309,025	316,076	5,990	-	27,785	33,511	10,861	22,650	-
15	HCL Comnet Systems & Services Limited	INR	1.00	12,800	(72,865)	241,495	301,560	-	369,007	(93,425)	-	(93,425)	-
16	HCL Arabia LLC	SAR	14.66	7,330	(23,953)	54,344	70,967	-	35,948	(21,010)	-	(21,010)	-
17	HCL BPO Services (NI) Limited	GBP	90.50	362,090	(1,238,399)	322,994	1,199,303	-	612,412	(361,366)	(1,357)	(360,009)	-
18	HCL Comnet Limited	INR	1.00	9,499	1,734,809	9,794,102	8,049,794	1,811,947	5,613,063	450,906	120,374	330,532	-
19	Anzospan Investments (PTY) Limited	ZAR	5.94	534,600	(61)	534,539	-	-	-	(43)	-	(43)	-
20	HCL Singapore Pte Limited	SGD	46.94	93,877	1,483,499	3,392,429	1,815,053	-	7,637,057	794,262	133,470	660,792	375,507
21	HCL (Malaysia) Sdn. Bhd	MYR	18.79	1,879	215,092	399,795	182,824	-	-	(2,312)	-	(2,312)	-
22	HCL Technologies Solutions Limited (formerly known as HCL EAI Services Limited)	INR	1.00	10,501	22,835	62,194	28,858	-	31,171	(5,636)	-	(5,636)	-
23	HCL Technologies Denmark Apps	DKK	10.41	34,024	61,377	760,248	664,847	-	1,727,335	48,299	12,177	36,122	-
24	HCL Poland Sp.z.o.o.	PLN	17.91	248,088	18,674	418,812	152,050	-	827,953	(7,240)	-	(7,240)	-
25	HCL Technologies (Shanghai) Limited	CNY	8.83	135,169	(27,791)	165,324	57,946	-	304,184	(19,302)	(336)	(18,966)	-
26	HCL Technologies France	EUR	77.64	195,351	(25,465)	680,701	510,815	-	1,610,204	39,617	-	39,617	-
27	HCL Expense Management Services Inc. #	USD	59.39	0	205,032	213,745	8,713	-	-	225,966	-	225,966	-
28	Axon Group Limited.	GBP	90.50	61,359	17,795,015	19,044,368	1,187,994	-	-	172,493	-	172,493	-
29	Axon Solutions Inc.	USD	59.39	1,839	4,050,971	9,210,272	5,157,462	58,202	11,856,653	(583,615)	308,576	(892,191)	-
30	Bywater Limited	GBP	90.50	5,011	149,322	154,333	-	-	-	888	-	888	-
31	Axon Solutions Limited	GBP	90.50	90	3,759,362	8,410,418	4,650,966	-	14,364,309	169,687	(45,974)	215,661	-
32	HCL Axon Malaysia Sdn. Bhd.	MYR	18.79	315,872	(87,706)	1,178,391	950,225	-	2,363,495	(366,372)	(4,749)	(361,623)	-
33	HCL Axon Solutions (Shanghai) Co. Ltd.	CNY	8.83	18,261	(278,946)	85,665	346,350	-	70,939	(51,013)	-	(51,013)	-
34	Axon Solutions Singapore Pte Ltd.	SGD	46.94	4,694	(121,793)	29,260	146,359	-	95,233	(22,017)	-	(22,017)	-
35	JSPC i-Solutions Sdn Bhd	MYR	18.79	1,879	(506)	1,585	212	-	-	(311)	-	(311)	-
36	JSP Consulting Sdn. Bhd.	MYR	18.79	9,395	(326)	9,244	175	-	-	(270)	-	(270)	-
37	HCL Technologies Philippines Inc.	PHP	1.38	40,144	(93,502)	100,844	154,202	-	157,069	(54,642)	1	(54,643)	-
38	HCL Technologies South Africa (Proprietary) Limited	ZAR	5.94	17,667	83,956	406,933	305,310	-	579,963	106,660	29,865	76,795	-
39	HCl Axon Technologies Inc.	CAD	56.66	691,607	(259,769)	1,964,129	1,532,291	-	3,249,004	47,531	(187,482)	235,013	-
40	Axon Solutions Pty Limited	AUD	54.79	34,380	(1,080,156)	131,669	1,177,445	-	265,672	(173,009)	(52,125)	(120,884)	-
41	HCL Technologies Solution GmbH	CHF	62.98	1,260	(1,554)	92	386	-	-	(2,683)	-	(2,683)	-

Statement regarding Subsidiary Companies as required by the approval granted under Section 212(8) of the Companies Act, 1956

(All amounts in ₹ thousands)

S.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	Dividend
42	Axon Acquisition Company, Inc. #	USD	59.39	0	-	0	-	-	-	-	-	-	-
43	HCL Technologies Norway AS	NOK	9.84	29,464	124,357	624,096	470,275	-	1,388,906	27,910	7,848	20,062	-
44	HCL Insurance BPO Services Ltd.	GBP	90.50	733,953	(163,533)	1,132,514	562,094	-	2,301,048	428,426	-	428,426	-
45	HCL America Solutions Inc. (Formerly Known as HCL Technologies Product Design Services Inc.)	USD	59.39	594	(531)	138,957	138,894	-	133,816	(531)	-	(531)	-
46	HCL EAS Limited	USD	59.39	9,357,524	(2,029,957)	43,022,704	35,695,137	-	241,574	(258,045)	-	(258,045)	-
47	HCL Axon (Pty) Ltd.	ZAR	5.94	516,650	286,114	1,469,472	666,708	-	1,681,031	161,540	45,433	116,107	-
48	HCL (Brazil) Technologia da informacao Ltda.	BRL	26.86	555,368	(518,641)	283,813	247,086	-	1,250,899	(45,654)	56,955	(102,609)	-
49	HCL Technologies Romania s.r.l.	RON	17.39	6,145	(1,540)	16,111	11,506	-	19,358	593	112	481	-
50	HCL Hungary Kft	HUF	0.26	2,364	1,091	10,054	6,599	-	14,623	(1,736)	37	(1,773)	-
51	HCL Latin America Holding LLC	INR	1.00	731,159	3,366	734,525	-	-	-	721	-	721	-
52	HCL Argentina s.a.	ARS	11.05	11,900	(5,318)	15,249	8,667	-	25,081	1,441	-	1,441	-
53	FILIAL ESPAÑOLA DE HCL TECHNOLOGIES, S.L.	EUR	77.64	23,293	5,526	287,741	258,922	-	214,770	7,751	1,506	6,245	-
54	HCL Mexico S. de R.L.	MXN	4.22	65,999	17,503	148,160	64,659	-	276,355	19,080	7,784	11,296	-
55	HCL Investment (UK) Limited	GBP	90.50	520,383	(1,075)	519,308	-	518,347	-	(1,059)	-	(1,059)	-
56	HCL Eagle limited	INR	1.00	1,000	1,639	91,986	89,347	-	153,121	2,040	-	2,040	-
57	PT. HCL Technologies Indonesia	IDR	0.01	26,950	(24,456)	33,007	30,513	-	31,781	(14,434)	-	(14,434)	-

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.	59
Axon Acquisition Company, Inc.	59

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: 1 October, 2013

NOTES

www.hcltech.com

HCL Technologies Ltd.
A-10/11, Sector - 3, Noida 201301, U.P., India.