

HCL TECHNOLOGIES LIMITED

Corporate Identity Number : L74140DL1991PLC046369

Registered Office : 806, Siddharth, 96 Nehru Place, New Delhi, 110 019

Corporate Office : Plot No. 3A, Sector 126, Noida 201 304, U.P., India

Website: www.hcltech.com; Tel: +91 11 26444812; Fax: +91 11 26436336

Consolidated Statement of Profit and Loss of HCL Technologies Limited as per Ind AS:

(₹ in crores)

Particulars	Three months ended			Year ended (Audited)	
	31 March 2017 (Audited) (Refer note 6)	31 December 2016 (Unaudited)	31 March 2016 (Audited)	31 March 2017	31 March 2016 (Refer note 5)
I Revenue					
Revenues from operations	12,897.80	11,814.20	10,698.64	47,567.53	31,135.94
Other income	285.24	250.78	226.38	1,073.32	866.13
Total income	13,183.04	12,064.98	10,925.02	48,640.85	32,002.07
II Expenses					
Purchase of stock-in-trade	233.33	234.72	270.83	826.21	812.73
Changes in inventories of stock-in-trade	65.64	(48.65)	(41.51)	(11.10)	(108.75)
Employee benefits expense	6,435.08	5,595.87	5,215.91	22,866.18	15,203.25
Finance costs	27.84	22.36	24.97	89.09	73.90
Depreciation and amortization expense	259.29	209.62	145.40	828.13	409.86
Outsourcing costs	2,139.76	2,320.57	1,684.33	8,665.37	5,014.14
Other expenses	1,276.59	1,101.33	1,226.35	4,836.32	3,561.02
Total expenses	10,437.53	9,435.82	8,526.28	38,100.20	24,966.15
III Profit before share of profit (loss) of associate and tax	2,745.51	2,629.16	2,398.74	10,540.65	7,035.92
IV Share of profit (loss) of associates	4.25	5.32	(0.74)	2.10	4.76
V Profit before tax	2,749.76	2,634.48	2,398.00	10,542.75	7,040.68
VI Tax expense					
Current tax	143.91	554.19	562.90	1,885.38	1,663.50
Deferred tax charge (credit)	130.58	17.32	(103.56)	50.90	(224.50)
Total tax expense	274.49	571.51	459.34	1,936.28	1,439.00
VII Profit for the year	2,475.27	2,062.97	1,938.66	8,606.47	5,601.68
VIII Other comprehensive income					
(A) (i) Items that will not be reclassified to statement of profit and loss	(10.85)	(0.09)	3.75	(6.55)	11.27
(ii) Income tax on items that will not be reclassified to statement of profit and loss	2.24	-	(0.82)	1.28	(2.48)
(B) (i) Items that will be reclassified subsequently to statement of profit and loss	(63.05)	(7.72)	80.35	(186.66)	130.57
(ii) Income tax on items that will be reclassified to statement of profit or loss	(64.45)	(12.35)	(9.39)	(109.56)	(11.60)
Total other comprehensive income	(136.11)	(20.16)	73.89	(301.49)	127.76
IX Total comprehensive income for the year Profit for the year attributable to	2,339.16	2,042.81	2,012.55	8,304.98	5,729.44
Shareholders of the Company	2,473.49	2,062.04	1,939.89	8,606.33	5,602.43
Non-controlling interest	1.78	0.93	(1.23)	0.14	(0.75)
	2,475.27	2,062.97	1,938.66	8,606.47	5,601.68
Total comprehensive income for the year attributable to					
Shareholders of the Company	2,346.74	2,046.35	2,013.78	8,343.11	5,730.19
Non-controlling interest	(7.58)	(3.54)	(1.23)	(38.13)	(0.75)
	2,339.16	2,042.81	2,012.55	8,304.98	5,729.44
Earnings per equity share of ₹ 2 each					
Basic	17.34	14.61	13.76	60.33	39.79
Diluted	17.32	14.60	13.72	60.27	39.69

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Segment Information of Consolidated Financial Results :

(₹ in crores)

Particulars	Three months ended			Year ended (Audited)	
	31 March 2017 (Audited) (Refer note 6)	31 December 2016 (Unaudited)	31 March 2016 (Audited)	31 March 2017	31 March 2016 (Refer note 5)
Segment Revenues					
Software services	7,743.10	6,635.63	6,269.84	27,138.50	18,389.81
IT infrastructure services	4,681.82	4,701.77	3,871.19	18,543.44	11,084.98
Business process outsourcing services	472.88	476.80	557.61	1,885.59	1,661.15
Total	12,897.80	11,814.20	10,698.64	47,567.53	31,135.94
Less : Inter-segment revenue	-	-	-	-	-
Net revenue from operations	12,897.80	11,814.20	10,698.64	47,567.53	31,135.94
Segment Results					
Software services	1,508.48	1,406.92	1,303.65	5,623.95	3,695.16
IT infrastructure services	907.04	925.47	823.12	3,690.82	2,358.41
Business process outsourcing services	72.59	68.35	103.09	241.65	256.56
Total	2,488.11	2,400.74	2,229.86	9,556.42	6,310.13
Less :					
Finance cost	27.84	22.36	24.97	89.09	73.90
Other un-allocable expenditure / (income), net	(285.24)	(250.78)	(193.85)	(1,073.32)	(799.69)
Profit before share of profit (loss) of associate and tax	2,745.51	2,629.16	2,398.74	10,540.65	7,035.92
Less :					
Tax expense	274.49	571.51	459.34	1,936.28	1,439.00
Share of profit (loss) of associates	4.25	5.32	(0.74)	2.10	4.76
Non-controlling interest	1.78	0.93	(1.23)	0.14	(0.75)
Net profit after taxes	2,473.49	2,062.04	1,939.89	8,606.33	5,602.43

Segmental capital employed

Assets and liabilities are not identified to any reportable segments, since the Company uses them interchangeably across segments and consequently, the management believes that it is not practicable to provide segment disclosures relating to assets and liabilities.

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Consolidated Balance Sheet of HCL Technologies Limited as per Ind AS:

(₹ in crores)

Particulars	As at 31 March 2017 (Audited)	As at 31 March 2016 (Audited)
I ASSETS		
(1) Non-current assets		
(a) Property, plant and equipment	3,998.30	3,595.38
(b) Capital work in progress	447.94	610.90
(c) Goodwill	6,504.38	5,775.32
(d) Other intangible assets	4,733.30	345.39
(e) Investment in an associate	125.81	146.33
(f) Financial assets		
(i) Investments	34.25	15.58
(ii) Loans	0.07	15.00
(iii) Others	709.57	684.54
(g) Deferred tax assets (net)	1,651.85	1,811.09
(h) Other non-current assets	1,094.19	1,359.37
(2) Current assets		
(a) Inventories	275.58	264.48
(b) Financial assets		
(i) Investments	1,145.67	536.47
(ii) Trade receivables	8,301.26	7,721.14
(iii) Cash and cash equivalents	1,321.13	732.91
(iv) Other bank balances	7,722.71	8,601.69
(v) Loans	2,528.16	2,050.02
(vi) Others	3,407.24	3,443.49
(c) Other current assets	1,768.03	1,631.50
TOTAL ASSETS	45,769.44	39,340.60
II EQUITY		
(a) Equity share capital	285.36	282.08
(b) Other equity	32,664.49	27,108.69
Equity attributable to shareholders of the Company	32,949.85	27,390.77
Non-controlling interest	172.53	210.66
TOTAL EQUITY	33,122.38	27,601.43
III LIABILITIES		
(1) Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	382.64	737.40
(ii) Others	25.20	210.93
(b) Provisions	696.12	597.04
(c) Other non-current liabilities	201.45	365.35
(2) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	62.06	214.44
(ii) Trade payables	800.62	703.47
(iii) Others	7,544.62	5,848.01
(b) Other current liabilities	1,721.84	1,618.99
(c) Provisions	473.47	335.55
(d) Current tax liabilities (net)	739.04	1,107.99
TOTAL EQUITY AND LIABILITIES	45,769.44	39,340.60

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Reconciliations between Consolidated Financial Results, as previously reported (referred to as 'Previous GAAP') and Ind AS for quarter/year presented:

(₹ in crores)

Particulars	Three months ended (Audited)	Previous year ended (Audited)
	31 March 2016	31 March 2016
Net Profit under Previous GAAP	1,953.94	5,643.04
Impact on revenues from operations		
a) Cost related to revenue recorded on gross basis when the Group is a principal to the transaction and not as an agent	42.87	137.68
b) Fair value changes in cash flow hedges presented as part of "Other Income/Expense"	12.66	30.06
c) Impact of unconsolidated subsidiaries under previous GAAP being consolidated under Ind AS	80.89	187.40
Other Impacts		
a) Actuarial gain on employee defined benefit funds recognized in Other Comprehensive Income	(3.74)	(11.26)
b) Difference in fair value and intrinsic value in ESOP charge for options vested after the transition date	-	(1.40)
c) Effect of fair value changes on lease deposits	(0.19)	(0.53)
d) Impact of unconsolidated subsidiaries under previous GAAP being consolidated under Ind AS	(82.16)	(168.46)
e) Current and deferred tax arising from share-based payment transactions	(5.72)	(34.96)
f) Effect of Business Combinations consummated post transition date	(3.13)	(9.43)
g) Expenses recorded on gross basis when the Group is a principal to the transaction and not as an agent	(42.87)	(137.68)
h) Impact of fair valuation of financial assets through profit and loss	-	(1.97)
i) Fair value changes of cash flow hedges presented as part of "Other Income/Expense"	(12.66)	(30.06)
Net Profit for the period under Ind AS	1,939.89	5,602.43

Reconciliations between Consolidated Equity, as previously reported (referred to as 'Previous GAAP') and Ind AS for year presented:

(₹ in crores)

Particulars	Previous year ended (Audited)
	31 March 2016
Equity under Previous GAAP attributable to	
Shareholders of the Company	27,294.16
Non-controlling interest	311.64
Equity under Previous GAAP	27,605.80
a) Impact of unconsolidated subsidiaries under previous GAAP being consolidated under Ind AS	(6.51)
b) Impact of fair valuation of financial assets through profit and loss	1.42
c) Effect of fair value changes on lease deposits	(10.89)
d) Recognition of deferred tax liability using balance sheet approach on actuarial gains recognized in equity	(2.48)
e) Effect of Business Combinations consummated post transition date	(9.35)
f) Excess tax benefit recognized on share-based payment transactions	23.44
Equity under Ind AS attributable to	27,601.43
Shareholders of the Company	27,390.77
Non-controlling interest	210.66

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Standalone Statement of Profit and Loss of HCL Technologies Limited as per Ind AS:

(₹ in crores)

Particulars	Three months ended			Year ended (Audited)	
	31 March 2017 (Audited) (Refer note 6)	31 December 2016 (Unaudited)	31 March 2016 (Audited)	31 March 2017	31 March 2016 (Refer note 5)
I Revenue					
Revenues from operations	5,114.48	4,889.26	4,612.64	19,318.31	13,434.64
Other income	230.64	187.53	283.40	955.33	968.42
Total income	5,345.12	5,076.79	4,896.04	20,273.64	14,403.06
II Expenses					
Purchase of stock-in-trade	20.47	23.81	77.88	123.31	162.66
Changes in inventories of stock-in-trade	76.76	(8.78)	(2.62)	38.63	(46.79)
Employee benefits expense	1,939.29	1,694.91	1,580.41	6,843.38	4,866.92
Finance costs	33.84	9.43	14.43	56.03	45.82
Depreciation and amortization expense	159.84	123.42	92.80	478.89	276.89
Outsourcing costs	603.83	655.32	542.83	2,218.67	1,644.43
Other expenses	636.46	498.26	588.66	2,238.66	1,671.58
Total expenses	3,470.49	2,996.37	2,894.39	11,997.57	8,621.51
III Profit before tax	1,874.63	2,080.42	2,001.65	8,276.07	5,781.55
IV Tax expense					
Current tax	157.37	434.55	446.64	1,537.33	1,269.60
Deferred tax charge (credit)	(3.88)	(15.67)	(116.50)	(133.95)	(207.13)
Total tax expense	153.49	418.88	330.14	1,403.38	1,062.47
V Profit for the year	1,721.14	1,661.54	1,671.51	6,872.69	4,719.08
VI Other comprehensive income					
(A) (i) Items that will not be reclassified to statement of profit and loss	(10.87)	0.23	3.77	(6.83)	11.30
(ii) Income tax on items that will not be reclassified to statement of profit and loss	2.34	(0.08)	(0.78)	1.39	(2.33)
(B) (i) Items that will be reclassified subsequently to statement of profit and loss	315.03	44.71	56.41	520.59	72.88
(ii) Income tax on items that will be reclassified to statement of profit or loss	(64.91)	(12.17)	(8.96)	(109.56)	(11.60)
Total other comprehensive income	241.59	32.69	50.44	405.59	70.25
VII Total comprehensive income for the year	1,962.73	1,694.23	1,721.95	7,278.28	4,789.33
Earnings per equity share of ₹ 2 each					
Basic	12.06	11.78	11.86	48.18	33.52
Diluted	12.05	11.76	11.83	48.13	33.43

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Standalone Balance Sheet of HCL Technologies Limited as per Ind AS:

(₹ in crores)

Particulars	As at 31 March 2017 (Audited)	As at 31 March 2016 (Audited)
I ASSETS		
(1) Non-current assets		
(a) Property, plant and equipment	3,126.45	2,762.90
(b) Capital work in progress	410.53	582.12
(c) Goodwill	553.17	18.16
(d) Other intangible assets	4,310.19	35.18
(e) Financial assets		
(i) Investments	3,810.10	3,502.58
(ii) Loans	0.07	15.00
(iii) Others	186.85	120.02
(f) Deferred tax assets (net)	1,211.07	1,179.72
(g) Other non-current assets	646.59	732.18
(2) Current assets		
(a) Inventories	89.93	128.56
(b) Financial assets		
(i) Investments	914.14	471.72
(ii) Trade receivables	4,418.39	4,084.53
(iii) Cash and cash equivalents	352.00	125.17
(iv) Other bank balances	7,610.35	8,537.79
(v) Loans	2,542.76	2,014.37
(vi) Others	1,518.06	1,610.16
(c) Other current assets	671.26	667.88
TOTAL ASSETS	32,371.91	26,588.04
II EQUITY		
(a) Equity Share capital	285.36	282.08
(b) Other equity	25,687.93	21,214.49
TOTAL EQUITY	25,973.29	21,496.57
III LIABILITIES		
(1) Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	31.24	28.16
(ii) Others	7.16	75.47
(b) Provisions	411.27	344.08
(c) Other non-current liabilities	34.37	130.77
(2) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	-	0.03
(ii) Trade payables	484.59	453.92
(iii) Others	4,003.65	2,521.26
(b) Other current liabilities	885.46	765.61
(c) Provisions	110.89	96.34
(d) Current tax liabilities (net)	429.99	675.83
TOTAL EQUITY AND LIABILITIES	32,371.91	26,588.04

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Reconciliations between Standalone Financial Results, as previously reported (referred to as 'Previous GAAP') and Ind AS for quarter/year presented:

(₹ in crores)

Particulars	Three months ended (Audited)	Previous year ended (Audited)
	31 March 2016	31 March 2016
Net Profit under Previous GAAP	1,675.45	4,733.68
Impact on revenues from operations		
a) Cost related to revenue recorded on gross basis when the Company is a principal to the transaction and not as an agent	0.43	1.29
Other Impacts		
a) Actuarial gain on employee defined benefit funds recognized in Other Comprehensive Income	(3.76)	(11.30)
b) Difference in fair value and intrinsic value in ESOP charge for options vested after the transition date	-	(1.40)
c) Effect of fair value changes on lease deposits	(0.18)	(0.52)
d) Impact of fair valuation of financial assets through profit and loss	-	(1.38)
e) Expenses recorded on gross basis when the Company is a principal to the transaction and not as an agent	(0.43)	(1.29)
Net Profit for the period under Ind AS	1,671.51	4,719.08

Reconciliations between Standalone Equity, as previously reported (referred to as 'Previous GAAP') and Ind AS for year presented:

(₹ in crores)

Particulars	Previous year ended (Audited)
	31 March 2016
Equity under Previous GAAP	21,508.91
a) Impact of fair valuation of financial assets through profit and loss	0.56
b) Effect of fair value changes on lease deposits	(10.57)
c) Recognition of deferred tax liability using balance sheet approach on actuarial gains recognized in equity	(2.33)
Equity under Ind AS	21,496.57

Notes :

- The consolidated and standalone financial results for the year ended 31 March 2017 were approved by the Audit Committee and have been approved and taken on record by the Board of Directors at its meeting held on 11 May 2017.
- During the quarter ended 31 March 2017, the Company has declared and paid an interim dividend of ₹ 6 per share, amounting to ₹ 846.72 crores, which takes total amount of interim dividend paid for year ended 31 March 2017 to ₹ 3,386.11 crores.

The Board of Directors at its meeting held on 11 May 2017 has also declared an interim dividend of ₹ 6 per share.

- Financial results for all the periods presented have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under section 133 of the Companies Act 2013 and other recognised accounting practices and policies to the extent applicable. The Company has adopted Ind AS with transition date of 1 July, 2015.

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- 4 As per Ind AS 108 'Operating Segments', the Company has disclosed the segment information only as part of the consolidated financial results.
- 5 Section 2(41) of the Companies Act, 2013 requires all companies to have their financial year ended on 31 March. The Company has adopted the change during the previous financial year and accordingly, the previous financial year of the Company was for the nine months period from 1 July, 2015 to 31 March, 2016 (herein after referred as "Previous year ended 31 March 2016"). Since the previous year was from 1 July, 2015, the comparative amounts presented for the previous year ended 31 March 2016 are for nine months and are not comparable.
- 6 On 1st April 2016, the Company entered into a composite scheme of arrangement and amalgamation for acquisition of the IT enabled engineering services, PLM ('Product Lifecycle Management') services and engineering design productivity software tools business of Geometric Limited by way of demerger through a Court approved scheme of arrangement under Sections 391 to 394 and other relevant provisions of the Companies Act, 1956 (including those of the Companies Act, 2013).

The scheme has come into effect from 2 March, 2017 post all regulatory approvals required for completion of the scheme and is accounted from 1 April 2016. Accordingly the results for the current quarter ended 31 March 2017 includes the results of the merged business for the twelve months period ended 31st March 2017 are not comparable with previous quarters.
- 7 Tax expense for the quarter and year ended 31 March 2017 is after taking effect of reversal of tax provisions of ₹ 333.54 crores and ₹ 229.16 crores in consolidated and standalone statement of profit and loss respectively relating to prior years primarily on account of completion of review by tax authorities in certain jurisdictions.
- 8 The Board of Directors of the Company, in its meeting held on 20 March, 2017 have approved the buy-back of up to 35,000,000 fully paid up equity shares of the Company at a price of ₹ 1,000 per equity share for an aggregate amount not exceeding ₹ 3,500 crores. The buy-back is subject to approval of the shareholders by way of special resolution through postal ballot and all other applicable statutory approvals.
- 9 The figures of the last quarter are the balancing figures between audited figures in respect of the full financial year up to 31 March 2017 and the unaudited published year-to-date figures up to 31 December 2016 being the date of the end of the third quarter of the financial year which were subjected to a limited review.
- 10 The figures of previous period's/year have been rearranged to conform to the current period/year classification and presentation in ₹ crores.

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



Shiv Nadar
Chairman and Chief Strategy Officer



C. Vijayakumar
President and Chief Executive Officer



Anil Chanana
Chief Financial Officer

Noida (UP), India
11 May 2017

