

HCL TECHNOLOGIES

FOURTH QUARTER & ANNUAL RESULTS FY 2020

INVESTOR RELEASE

Noida, India, May 07th, 2020

FY'20 RESULTS

Revenue at ₹ **70,678 crores**; up **17.0%** YoY

Net Income at ₹ **11,062 crores**; up **9.3%** YoY

Revenue growth in Constant Currency; up **16.7%** YoY

Revenue at **US\$ 9,936 mn**; up **15.1%** YoY

Net Income at **US\$ 1,554 mn**; up **7.8%** YoY

Q4 FY'20 RESULTS

Revenue at ₹ **18,590 crores**; up **2.5%** QoQ & **16.3%** YoY

Net Income at ₹ **3,154 crores**; up **3.8%** QoQ & **22.8%** YoY

Revenue in Constant Currency; up **0.8%** QoQ & **13.5%** YoY

Revenue at **US\$ 2,543 mn**; unchanged QoQ & up **11.7%** YoY

Net Income at **US\$ 431 mn**; up **1.2%** QoQ & **18.4%** YoY

TABLE OF CONTENTS

Financial Highlights	3
Corporate Overview	4
Performance Trends	5
Financials in US\$	19
Revenue Analysis at Company Level	22
Constant Currency Reporting	23
Client Metrics	24
Headcount	25
Cash and Cash Equivalents, Investments & Borrowings	25
Financials in ₹	26
Appendix: Computation Formulae	28

FINANCIAL HIGHLIGHTS FOR THE QUARTER AND YEAR ENDED 31st MARCH, 2020

(Amount in ₹ Crores)

PARTICULARS	FULL YEAR		QUARTER ENDED	
	FY'20	YoY	31-Mar-2020	QoQ
REVENUE	70,678	17.0%	18,590	2.5%
EARNINGS BEFORE INTEREST & TAX (EBIT)	13,853	16.9%	3,881	5.8%
NET INCOME	11,062	9.3%	3,154	3.8%

(Amount in US \$ Million)

PARTICULARS	FULL YEAR		QUARTER ENDED	
	FY'20	YoY	31-Mar-2020	QoQ
REVENUE	9,936	15.1%	2,543	0.0%
REVENUE GROWTH (CONSTANT CURRENCY)		16.7%		0.8%
EARNINGS BEFORE INTEREST & TAX (EBIT)	1,946	15.3%	531	3.1%
NET INCOME	1,554	7.8%	431	1.2%

Mode 1-2-3 Highlights

Quarter Ended 31-Mar-2020	Revenue (in US\$ mn)	Revenue Mix	EBIT Margin	QoQ Growth (in Constant Currency)
Mode 1	1,656	65.1%	19.6%	-0.4%
Mode 2	488	19.2%	18.1%	7.1%
Mode 3	400	15.7%	29.6%	-1.0%
Total	2,543	100.0%	20.9%	0.8%

Financial Year Ended 31-Mar-2020	Revenue (in US\$ mn)	Revenue Mix	EBIT Margin	YoY Growth (in Constant Currency)
Mode 1	6,661	67.0%	19.3%	9.5%
Mode 2	1,849	18.6%	15.2%	27.6%
Mode 3	1,426	14.4%	26.4%	45.3%
Total	9,936	100.0%	19.6%	16.7%

Key Highlights: FY'20

1. For the fourth consecutive year, HCL delivered an industry leading growth.
 - YoY growth of **16.7%** LTM in constant currency in FY'20. The revenue growth is within the guided range of 16.5% to 17% YoY in constant currency.
 - Sequential revenue growth of **0.8%** in constant currency for Q4 FY'20 is also industry leading.
2. HCL's strong growth at **16.7%** YoY in constant currency is led by our industry leading organic growth and acceleration of our Mode 2 and Mode 3 revenue. We delivered strong double-digit growth across all segments, geographies and verticals.
 - Mode 2 and Mode 3 revenues for the year now make up 33% of total revenues, increasing from 28.4% in fiscal 2019, resulting in a combined growth of 34.7% YoY in constant currency. Mode 2 grew at a solid 27.6% YoY in constant currency and Mode 3 grew at 45.3% YoY in constant currency.
 - For the fiscal, IT & Business Services grew at 12.7%, the ERS business grew 12.8% and Products & Platforms grew at 60.5%, in constant currency.
3. Strong margin performance for Q4 and the year.
 - EBIT margin at **19.6%** for FY'20 exceeds the guided range of 19.0% to 19.5%.
 - EBIT margin of 20.9% in Q4.
4. HCL signed 53 transformative deals this year and \$100+ Mn clients increased by 5, from 10 to 15 (on YoY basis).
5. HCL surpassed 150,000 employees in FY'20 and now proudly stands at 150,423 at the end of FY'20 and operates out of 46 countries across the globe.
6. Robust cash generation and conversion in FY'20.
 - Operating Cash Flow (OCF) at **US \$ 1,743 mn** during the year; OCF / Net Income conversion at 112% in FY'20.
 - Free Cash Flow (FCF) at **US \$ 1,480 mn** during the year; FCF / Net Income conversion at **63%** in FY'20
 - Gross Cash stands at **US \$ 2,032 mn** and Net Cash at **US \$ 1,359 mn** at the end of March 31st, 2020.
7. Proposed **Final** dividend of ₹ 2 /- per share on double the number of shares post **1:1** bonus issue. 69th consecutive quarter of dividend pay-out
8. Return on Equity (ROE) at 23.6%
9. HCL activated our COVID-19 Business Continuity Plan at the end of January and now has 96% of its employees working from home and another 2.5% of its employees working from HCL or client locations.

CORPORATE OVERVIEW

“The world is going through a significant shift, and adaptability and innovation are the key to stay relevant. As our lives get increasingly governed by new tools and technologies, it is important to find an equilibrium and leverage the power of these solutions to bring about a positive and sustainable change. Forward-thinking organizations will drive this from the front while ensuring that innovations driven by them benefit both internal and external stakeholders and the larger environment and communities, especially in these times of unprecedented challenges”, said **Shiv Nadar, Chairman & Chief Strategy Officer, HCL Technologies Ltd.**

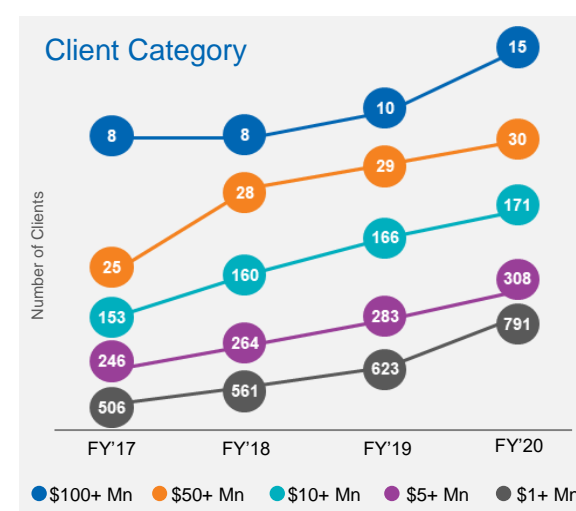
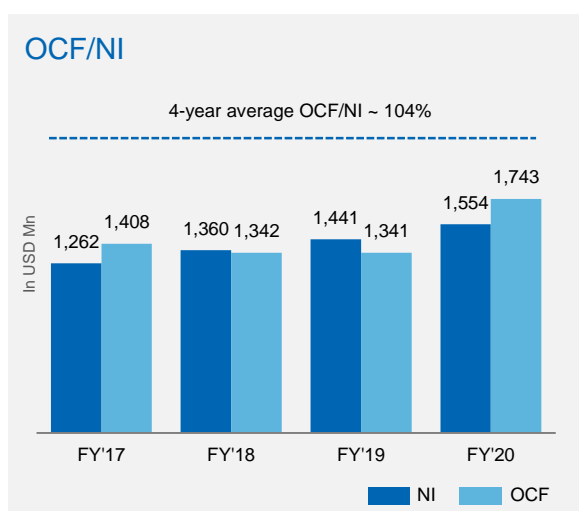
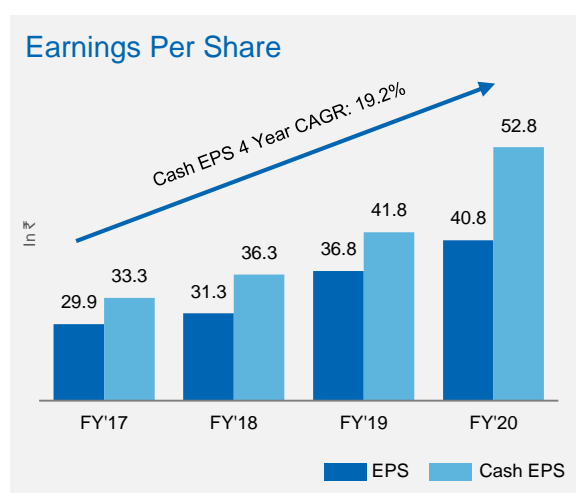
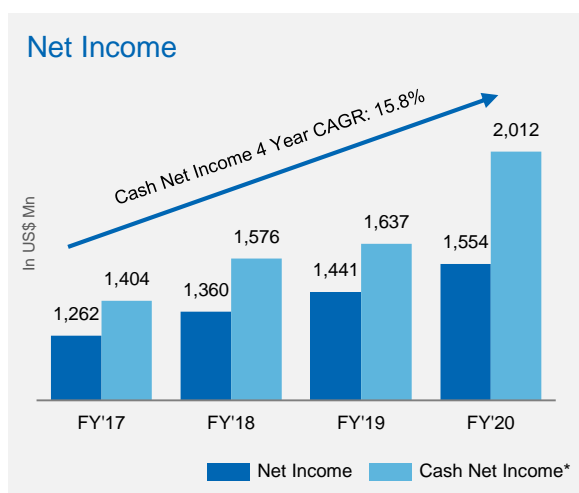
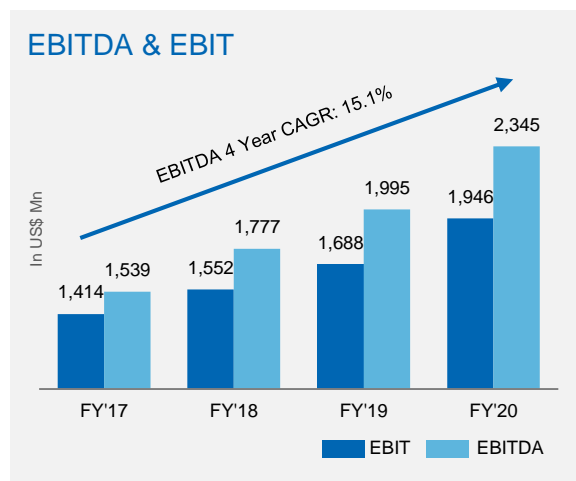
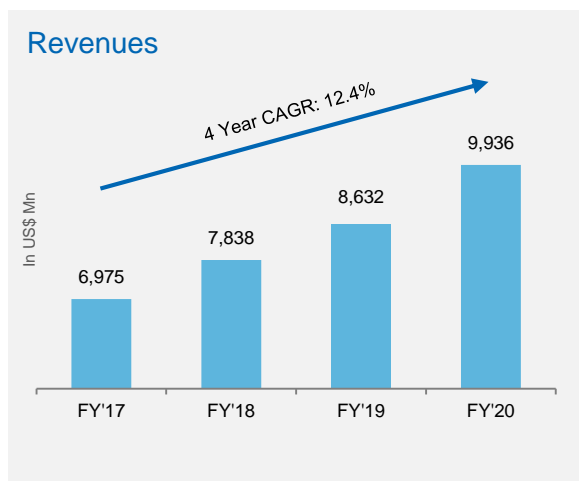
C Vijayakumar, President & CEO, HCL Technologies said, “I am very thankful to my fellow HCLites, who relentlessly worked with our clients over the last 3 months, to keep our client businesses running at this time of unprecedented crisis. We also transitioned over 3.5 million end-users to a fluid workplace model for our clients, many of whom are critical service providers, including several healthcare providers on the frontlines.”

“FY’20 has been a landmark year, where we witnessed our highest growth in recent years and an industry leading performance for the fourth consecutive year. Our focused Mode 1-2-3 strategy helped deliver an all-round growth across service lines, verticals and geographies and enabled us to deliver at the top end of our revenue guidance and exceed the top-end of our margin guidance for the year.”

“Looking ahead we are confident that our capabilities, our balanced portfolio, strong client relationships and our financial strength will help us navigate this crisis and emerge stronger.” he added.

“FY’20 has been a fantastic year, wherein HCL has grown at 16.7% in constant currency, by far the fastest growing IT company. This includes industry leading 10.7% organic growth and 6.0% added via our thoughtful acquisitions. Our investments in HCL Software have started bearing the desired fruit in last 2 quarters and we are pleased to see the strategy contributing handsomely to the profitability as well as cash generation capacity of the company. During the quarter, the company delivered EBIT of 20.9% and the annual EBIT of 19.6%. Cash conversion ratio is at 112%, measured as Operating Cash Flow (OCF) / Net Income. Cash EPS at Rs. 52.8 for FY’20 has grown strongly by 26.3% YoY.”, said **Prateek Aggarwal, CFO, HCL Technologies Ltd.**

PERFORMANCE TRENDS



Note:

1. Cash Net income is Operating Cash Flow before Change in Working Capital.
2. EPS and Cash EPS adjusted for Bonus issues.
3. Cash EPS is Cash Net Income divided by Average Number of Diluted Equity Shares.

REVENUE GROWTH (IN CONSTANT CURRENCY) (with acquisition impact per prior methodology and actual impact)

PARTICULARS	DETAILS	Acquisition Impact per Prior Methodology		Acquisition Impact per Actuals		
		Quarter Ended (31-Mar-2020)	FY'20 over FY'19	Quarter Ended (31-Mar-2020)		FY'20 over FY'19
		YoY	YoY	QoQ	YoY	YoY
Consolidated	For the Company	13.5%	16.7%	0.8%	13.5%	16.7%
Geography	Americas	20.4%	21.3%	1.3%	13.1%	15.8%
	Europe	2.4%	10.1%	-0.1%	11.9%	18.3%
	ROW	-1.3%	1.2%	0.9%	23.3%	18.2%
Segments	IT and Business Services	6.2%	12.7%	1.6%	6.2%	12.7%
	Engineering and R&D Services	10.2%	12.8%	-1.8%	10.2%	12.8%
	Products & Platforms	94.0%	60.5%	-0.1%	94.0%	60.5%
Verticals	Financial Services	1.5%	2.3%	-1.1%	14.1%	11.1%
	Manufacturing	26.7%	27.5%	-0.2%	34.3%	33.9%
	Technology and services	38.7%	35.8%	7.2%	-3.0%	2.3%
	Retail & CPG	4.1%	11.9%	0.3%	15.3%	21.0%
	Telecommunication, Media, Publishing & Entertainment	6.0%	18.0%	-6.6%	10.8%	22.2%
	Lifesciences & Healthcare	3.4%	10.2%	2.3%	7.6%	13.0%
	Public Services [#]	-1.3%	6.5%	2.9%	14.6%	20.5%

Note:

[#] Public Services include Oil & Gas, Energy & Utilities, Travel - Transport - Logistics and Government.

The \$1.8 bn acquisition of business relating to select IBM products was announced on December 7th, 2018 and consummated in the Q2 FY 20. Until Q1 FY20, revenues from various IBM IP deals were reported under US Geography, Technology & Services vertical and from a single client in all client metrics. From Q2FY20, on consummation of the above acquisition, revenue from various customers is being classified in the geography and vertical of respective customer (revenue from other IP partnerships would continue to be reported as in the past).

To facilitate better comparison, YoY metrics have also been provided if the Company would have continued to report such revenues on the same basis as in earlier quarters (till Q1 FY 20) as above.

CORPORATE ACHIEVEMENTS

The world is going through a challenging phase and each one of us is fighting a unique battle to overcome these hardships. At a time when we have drifted apart from each other, technology has become a great enabler in keeping us connected. Amid this dynamic landscape of technological disruption, HCL Technologies has been successful in making deep inroads into its clients' transformational journeys. Through its deep-domain industry expertise, customer-centricity and entrepreneurial culture of ideapreneurship™, HCL is enabling businesses to rapidly transform in this new world of digitalization.

COVID-19 Response

These are unprecedented times where countries across the world are working hard to combat the COVID-19 pandemic and are positively embracing all the changes that have come their way at such speed and short notice.

At HCL, it is not just our business but our social responsibility to ensure that our customers, employees and communities have every advantage to succeed. Everywhere our ecosystem is delivering critical services—such as healthcare, pharmacy, food supply and distribution, and civic amenities such as power, safety and governance – we are working to ensure they remain up and running with requisite IT support and capabilities as the world battles the unprecedented COVID-19 pandemic. HCL has been pushing the pedal in enabling its employees and clients to work remotely, building capacity through a swift infrastructure scale-up.

- **Crisis Management:**

- In January, HCL began continuous monitoring of the Covid-19 outbreak and invoked its Business Continuity Plan and Risk Management Framework to minimize the impact on its employees and clients.
- Of the total number of HCL's global employees, presently 96% are working from home and another 2.5% are working from offices.
- Various measures have been taken by HCL's Enterprise Leadership since Jan 26, 2020 and bringing the crisis governance under a "Executive Crisis Management Team". This team has brought the organization together in a virtual mode to prioritize employee safety, to ensure business continuity and to meet customer commitments.
- HCL has been assisting global and local country authorities with infrastructure, tools to enhance their efforts against the virus, and specially developed Virtual Situation Rooms including software and predictive analysis tools for supporting decisions.
- HCL is also actively working on allocating Emergency Funds to Pandemic Task Forces in India and other countries.

- **Communication and Awareness**

- HCL has maintained proactive communications with all clients around the world from the early onset of COVID-19, providing clear information and seeking feedback on emerging needs of their companies' and their customers' requirements.
- HCL developed a COVID-19 Information Center with the theme #TakeCareHCL to communicate with its employees across the globe. The theme #TakeCareHCL underpins a series of employee communications and engagement initiatives that not only aim to educate but also foster employee comfort with positive messages of care, appreciation, and encouragement in these stressful times.
- Proactive internal communications have been done with employees and clients to strengthen their morale and interests. All employees and third-party vendors are undergoing COVID-19 training and awareness globally. A Salary Contribution Program for employees has been launched.

- **Corporate Resilience**

- With social distancing becoming the norm, HCL reached a milestone in its Fluid Workplace philosophy by achieving 100 million real-time minutes per month with more than 100,000 users on MS teams. HCL's Fluid Workplace initiative is designed to assist and quickly roll out new ways of working.
- Business Normalcy and Crisis Management Programs have been embedded across the enterprise with a robust travel and logistics service process in place to adapt and support business travelers, transportation, and repatriation during changing restrictions across the globe.

- HCL’s resilient Supply Chain has been made available for critical corporate services including technology, security, people, facility operations and transportation services.
- IT capacity and resilience has been made readily available to support ‘at-scale’ work from home deployment at short notice with IT infrastructure and services being hosted in Global Datacenters using private cloud.
- Enhanced sanitation protocols have been implemented across all HCL offices around the world.
- Personal Protective Equipment (PPE) has been made available for critical employees and staff who need to be at offices to ensure continuity of operations of critical services.
- HCL has leveraged strong liaisons and relationships with embassies, trade bodies, and industry associations for the benefit of customers, employees and communities around the world.
- An Employee Assistance Program is in place to help employees with coordination, advice and guidance for physical and mental health related issues.

Key Corporate Achievements

- HCL signed 14 transformational deals in Q4 FY’20, led by key industry verticals Telecom, Hi-Tech, Retail & CPG, Manufacturing and Financial Services. In FY’20, HCL signed 53 transformational deals led by industries such as Manufacturing, Retail and CPG, Life Sciences and Healthcare and Hi-Tech among others.
- During the quarter, HCL had very strong renewal booking momentum, made possible due to its flawless execution and customer satisfaction. This includes some of the largest clients of HCL across the globe across industry verticals.
- HCL Software continued its operational momentum in Q4, FY’20 as it completed over 5,500 sales transactions for the quarter and onboarded more than 2,000 partners for the fiscal year. HCL Software’s investment in its products resulted in over a dozen major and minor product releases this quarter. Most notable were the product launches for AppScan V10, Unica V12, and BigFix V10. AppScan and BigFix lead HCL Software’s offering in the secure DevOps and the security & automation spaces.
- At the World Economic Forum’s Annual Meeting in Davos this year, HCL Technologies facilitated discussions on the convergence of technology innovation, human ingenuity, and critical thinking through a series of thought leadership discussions. HCL led business leaders across sectors in discussing the future of digital innovations related to the demographic, societal and technological trends shaping today’s interdependent complex world.
- HCL was named a Top Employer across Europe for providing the best working environment for employees through its progressive ‘people-first’ HR practices. HCL received this recognition for the 14th consecutive year in the United Kingdom and for the first time in Sweden, Germany, the Netherlands, Poland, France and South Africa.
- HCL announced the launch of a Global Delivery Center (GDC) in Hartford, Connecticut, USA to offer digital transformation services to clients in the smart manufacturing, insurance, aerospace, and defense industries. The GDC will help in bringing advanced digital and transformative capabilities to enhance the customers’ agility and ability to respond to emerging business needs.
- In FY’20, a total of 29 patents were filed, of which 3 were filed in Q4 in the areas of assigning dynamic operation of devices in a communication network, determining a location of an explosive device and an innovative approach to execute manual test cases on a targeted platform without generating code. During FY20, a total of 16 patents were granted, of which 10 patents were granted this quarter, filed in the areas of code reusability, sharing of source code, remotely assessing a user device, reconfigurable convolution accelerator, automated bug fixing, employee management, multi-level amplitude modulation and demodulation, optimizing storage and retrieval of a stock keeping unit, circuit design methodology, and debugging network environment.
- Value Portal, a unique grassroots innovation platform that enables employees to contribute their unique ideas and create value to customers and HCL generated 2,383 ideas in Q4 while 1109 were implemented.
- HCL announced its entry in Sri Lanka with the establishment of its GDC in Colombo. Marking its presence within the region, HCL aims at boosting employment, providing resources and skilling the local talent to serve its global clients. A key part of HCL’s business and development strategy in Sri Lanka will be to generate local employment and provide the right skilling programs that will augment the growth of the knowledge services industry in the island country. Collaborating with the Board of Investment of Sri Lanka, HCL’s local entity – HCL Technologies Lanka (Private) Limited will implement its Work Integrated Education Program to foster growth by actively cooperating with local ICT and engineering institutions to develop and train the island’s talent pool.

HUMAN RESOURCES

HCL Technologies believes in a culture that fosters grassroots innovation and is committed to providing its employees an equitable, safe and inclusive work environment. HCL focusses on Talent Attraction, Growth and Retention that works in tandem to ensure a unified experience across the enterprise. HCL's core belief of employee centricity aims at enhancing employee experience and accelerating their professional growth by creating an amenable and friendly work environment.

- HCL prides itself in employing people from different geographies and nationalities, creating a unique fabric of values and traditions. As of March 31, 2020, HCL employed ideapreneurs from 155 nationalities.
- HCL added 1,250 employees in Q4 FY'20, taking its overall full-time employee headcount to 150,423.
- As of March 31, 2020, women represented 26.8% of HCL's global employees.
- HCL's focus on tapping smaller cities in India to enable higher operational resilience, stability, and scalability continues. The employee strength in these centers in India under HCL's New Vistas program (Lucknow, Madurai, Nagpur, and Vijayawada) is up by nearly 34% from the last fiscal year.
- HCL continues to hire local workforce in all regions across the globe. As of March 31, 2020, HCL's localization in the US stands at 67.7%.

PARTNER ECOSYSTEM

From its inception HCL Technologies amplified client and technology partnerships at the core of its growth strategy. HCL's strategic partner ecosystem continues to evolve and expand with a plethora of partnership-led business opportunities available and recognizes the importance of investing in and developing diverse offerings in new and emerging areas of technology.

Microsoft Azure

- HCL launched a Microsoft Ecosystem Unit in January 2020 with the aim of accelerating innovation for its customers and creating modern and intuitive enterprises with an industry leading digital transformation agenda.
- HCL was selected for Project Embrace, a first-in-market cloud migration program between HCL, Microsoft and SAP to accelerate customer adoption of SAP S/4HANA and SAP Cloud Platform on Microsoft Azure.
- HCL was chosen as an Expert Managed Services Provider partner for the Microsoft Datacenter Optimization Program, an exclusive program to accelerate its customers' digital transformation journey on Azure.
- HCL's modern workplace "Cloud Workspace on Azure Windows Virtual Desktop" and IoT solution "Realtime Manufacturing Insight" were certified by Microsoft to be listed on Azure Marketplace.

Google Cloud Partnership

- HCL was certified as a Google Cloud Partnership (GCP) Managed Services Partner, which corroborates HCL's delivery capabilities of GCP services globally.
- HCL was selected as the preferred partner to Google's Professional Services Organization (PSO) for implementing SAP migration, mainframe migration, enterprise APO and migration, MSP and Datacenter Transformation for their customer.

Amazon Web Services

- HCL onboarded cloud infrastructure platforms Cloudamize and Dynatrace on Amazon Web Services (AWS) Consulting Partner Private Program. This further strengthens HCL's expertise in AWS Marketplace.
- HCL EXACTO™, a cutting-edge computer vision and ML-based tool, cleared the AWS Well-Architected Framework. AWS Well-Architected Framework is a service that enables an entity to review and improve its cloud-based architectures. HCL achieved this feat based on its strengths in operational excellence, security, reliability, performance efficiency, and cost optimization.

IBM

- In February 2020, HCL formally launched the HCL IBM Ecosystem Unit to deliver modernized digital application, integrated application-infrastructure autonomies and orchestration, mainframe transformation, and advanced cognitive capabilities leveraging IBM Cloud Parks as the platform.
- IBM Ecosystem Unit launched the 'IBM Skills Academy' in February 2020 for HCL developers worldwide with the aim of building capabilities on the latest IBM technologies / products.
- Red Hat Online Partner Enablement Network (OPEN) was launched as a training and accreditation platform for HCLites across the globe.
- HCL Cybersecurity Fusion Center (CSFC) collaborated with powered by IBM QRadar, a security information and event management product, to use big data analytics and advance correlation in order to identify threats in the IT landscape and inspire business confidence.

Cisco

- HCL was chosen as a Cisco's DevNet Exchange partner for API integration, multivendor SDK exposure, which coincides with its long-term objective of increasing developer capabilities, delivering across open programable platforms, spanning the entire network from campus, branch, edge to the datacenter and cloud.
- HCL and Cisco are jointly evaluating and building GTM strategies by defining a meticulous roadmap, collaborative feature sets and product development.

AWARDS AND RECOGNITIONS

HCL Technologies has relentlessly pursued excellence and is delighted to receive a remarkable share of awards and recognitions bearing testimony to the pursuit of this strategy as well as its extraordinary next-generation competencies. HCL Technologies feels extremely honoured to be repeatedly recognized by leading industry experts and analysts for its technology products, services and engineering capabilities, management philosophy, employee engagement policies and innovation.

Analyst Recognitions

Digital Workplace Services

- HCL Technologies positioned as a Leader in the February 2020 Gartner* Magic Quadrant for Managed Workplace Services, North America.
- HCL Technologies positioned as a Leader in the February 2020 Gartner* Magic Quadrant for Managed Workplace Services, Europe.
- HCL positioned as a Leader in the IDC MarketScape: Worldwide Digital Workspace Services 2020 Vendor Assessment.

(Doc #US45407619, March 2020)

Security

- HCL positioned as a Leader in Avasant's Cybersecurity Services RadarView 2020.

Digital Services

- HCL Technologies positioned as a Challenger in the April 2020 Gartner* Magic Quadrant for CRM and Customer Experience Implementation Services.
- HCL Positioned as a Leader in Avasant's Utilities Digital Services RadarView 2020-2021.
- HCL Positioned as a Leader in Avasant's Airlines & Airports Digital Services RadarView 2019.
- HCL positioned as a Leader in Avasant's Applied AI & Advanced Analytics Services RadarView 2020.

IoT

- HCL positioned as a Leader in the IDC MarketScape: Worldwide Business and Industrial IoT Engineering and Managed Services 2020 Vendor Assessment.

(Doc #US46120820, March 2020)

- HCL positioned as a Leader in the IDC MarketScape: Worldwide Business and Industrial IoT Consulting and Systems Integration Services 2020 Vendor Assessment.

(Doc #US46121220, March 2020)

Engineering

- HCL positioned as a Leader in Everest Group's V&V Engineering Services PEAK Matrix™ Assessment 2020.
- HCL positioned as the Leader in Zinnov Zones for Engineering R&D Services 2019.

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Key Awards

- HCL won the 'Global Breakthrough Partner for the Year' Award from Google Cloud within the first few months of operations of its dedicated Google Ecosystem Unit. This is a testimony to HCL's capability to drive and converge on the market for Google Cloud and unlock the value of the platform for its customers.
- HCL won the Global Multi-Cloud Innovation Award at the Cisco Partner Summit. The award recognizes HCL's strong partnership with Cisco built over the last two decades, and its investments in Cisco's next-generation platforms enabling enterprises to accelerate their datacenter modernization efforts in their digital transformation journey, driving innovation and business growth.
- HCL Technologies UK Ltd was recognized as a Highly Commended Company of the Year by the Employee Engagement Awards for driving employee experience forward.
- HCL was recognized by JobsForHer for its gender diversity initiatives and innovative practices. JobsForHer is an online marketplace model where women connect to restart their careers.
- HCL won silver at Brandon Hall for its Recruitment Automation program called Techruit – Hiring Made Easy, in the category "Best advance in Talent Acquisition Technology".
- HCL's Techruit program won Business World HR Excellence Award 2019.
- HCL won bronze from Brandon Hall for Best Unique or Innovative Learning and Development Program – LeadX. This training approach helped employees to proactively identify training needs and deepen their skills in new technologies.
- HCL was rated a Leader in the inaugural edition of Everest Group's Talent Readiness for Next Generation IT Services PEAK Matrix Assessment 2020.
- HCL became a Gold member of the Cloud Native Computing Foundation (CNCF). Founded by Linux Foundation CNCF helps advance container technology and align the tech industry around its evolution. HCL has also been certified by CNCF as a Kubernetes Certified Service Provider.
- HCL won an award in the 'Compliance or RegTech Project of the Year' category by FStech Awards for providing solutions to a client in the areas of risk finder application, design, development and wider market risk adoption of new and agile working practices. FStech Awards celebrate technology excellence and innovation within the UK and EMEA financial services sector.

CORPORATE SOCIAL RESPONSIBILITY

The guiding principle of HCL's Corporate Social Responsibility (CSR) programs is to empower communities to achieve national and international development goals through long-term sustainable programs, enabling people to lead a better life. The HCL Foundation's focus areas are upliftment of rural communities by alleviating poverty, to achieve health, wellness and inclusive growth of communities. Through targeted and innovative programs HCL Foundation, under its key flagship programs - HCL Samuday, HCL Grant, HCL Uday and Power of One has touched the lives of people in both rural and urban areas achieving its sustainable development goals while continuing to shape its business responsibly.

COVID-19 Update

In addition to initiatives at the enterprise level, HCL Foundation has also taken up various measures to tackle the need of the hour. HCL believes it is its utmost responsibility towards the larger community and is fully committed to extending all possible support to its communities and stakeholders in this fight against the COVID-19 challenge.

- HCL Foundation has extended its support to the State Governments of Uttar Pradesh and Tamil Nadu in India in their efforts to contain the spread of the disease as well as helped marginalized communities. States where we have our largest operations, a holistic strategy was devised, which included support across the following categories - Training, Capacity Building, Awareness & Coordination support through use of technology tools and platforms; Complementing the Healthcare Services; Personal Protective Equipment (PPE) for health care workers and frontline workers; Food Security; Care for elderly, children, most disadvantaged and animal welfare.
- HCL supported Government of Karnataka to setup an Emergency Call Centre for COVID-19 for State of Karnataka providing telemedicine and referrals for testing.
- Pledged more than 600 ventilators, 800 Hazmat suits, more than 115,000 PPE kits to the frontline healthcare workers. More than 35,000 masks distributed to frontline workers. A COVID-19 Awareness Generation and Information Dissemination exercise has been launched aimed at more than 6,000 villagers and frontline workers.
- Took an initiative to care for vulnerable groups, including the elderly, women and children through medicines, emergency services and care services elderly people.
- Total 570,309 meals served so far through HCL Foundation and HCL Corporation. Dry ration kits provided to more than 4,100 families in slum communities of Chennai, Lucknow, Vijayawada, Nagpur and Pune.
- Kick-started a 'Call for Action' initiative for COVID-19 by collaborating with its NGO partners in order to respond, increase resilience as well as reduce vulnerabilities of local communities, enabling them to better prepare for, mitigate and respond to COVID-19 disaster.
- Along with WHO and UNICEF, HCL Foundation is supporting a COVID-19 Online Academy by Sphere India. This is being used for training of volunteers, health workers and other front-line workers on COVID-19.
- Conducted an initiative to feed 3,250 dogs every day in Noida and 100 stray animals every day in Bengaluru, India.

HCL Foundation Program Updates

- HCL Foundation celebrated five years of **HCL Grant** - one of the biggest CSR grants in the country which identifies NGOs doing path-breaking work in rural development through an institutionalized, independent, robust and democratic process. The three winning NGOs -- Under the Mango Tree Society (Environment), Operation Asha (Health) and Bal Raksha Bharat (Education) were awarded a grant of Rs 5 crore (\$2.1M) each. So far, HCL Grant has disbursed INR 68 Crore (US\$9.46 M) to benefit nearly 17,20,028 people. Projects supported by HCL Grant aim to cover over a million people spread across 8,598 villages in 70 districts across 18 States and two Union Territories of India. Of these, the projects have already covered 5,75,244 beneficiaries.
- Under the **Power of One (Po1)** program, 39,755 employees, on an average, continued to donate towards the social and economic upliftment of vulnerable communities in FY'20. HCL Community Champions have shown great commitment towards all volunteer-based activities of HCL Foundation and have clocked over 1,13,958 volunteer hours this year. This fund is currently supporting 350 meritorious students from low income families across 13 locations in India with academic and sports scholarships.

- **HCL Uday** continued its effort to break the cycle of urban poverty and achieve long-term systemic changes. It is currently reaching out to more than 4,40,000 people across 11 cities of India living in underserved, migratory communities through interventions across thematic areas of Education, Health, Livelihood and Environment using an Integrated Community Development Approach (ICDA). In FY'20, **1,33,550** people benefited through the education & ECCD initiatives, **8,860** youth were trained in various trades and **2,49,243** people benefited through health, nutrition, and WASH interventions.
- Under **Harit - The Green Spaces Initiative**, HCL Foundation further strengthened efforts to protect, restore and enhance diminishing green cover, biodiversity, waterbodies and to respond to climate change in a holistic manner. 1,03,284 trees were planted in schools, residential spaces and public spaces, and at the urban forest sites known as Uday Upvan and 78 water bodies were also taken up for restoration and rejuvenation.
- Through HCL Foundation's flagship sports initiative **Sports for Change**, nearly 4,000 young people have benefited with 1,087 students participating regional and national championships from Jammu & Kashmir, Rajasthan, Uttar Pradesh, Jharkhand, Maharashtra, Karnataka, Telangana & Tamil Nadu. So far, 38 players have played in State level tournaments, 19 players have played in National level tournament in the year 2019/20, and 24 players have got admission in various colleges in sports quota.
- **HCL Samuday** continued its positive impact on villages in the state of Uttar Pradesh, India. Implemented in 765 villages, the program reaches 90,000 households covering a total population base of around 600,000 people. As of March 31, 2020,
 - Nearly 40,500 farmers benefited through various agriculture-related interventions.
 - A Farmer Producer Company was established with more than 2,000 shareholders, which crossed a business turnover of \$1 M.
 - 100% literacy was achieved in two Gram Panchayats and over 40,500 people benefited through adult literacy programs.
 - More than 25,000 pregnant women and 21,200 children were provided with improved care while nearly 94,000 patients were treated through Mobile Health Clinics and telemedicine facilities.
 - Income of over 9,000 dairy farmers increased with the procurement of 11.72 M liters of milk.
 - 1048 Self-Help Groups comprising around 11,860 women were strengthened and more than 5,000 women were connected to economic activities.
 - Construction of 60,560 individual household toilets was facilitated, 7,211 beneficiaries were availing safe and piped drinking water supply; and 10,500 households were covered for waste management.

Clean NOIDA

- Clean NOIDA – a HCL Foundation initiative started in 2019, carries out works and services to implement effective Solid Waste Management in Noida city in partnership with Noida Development Authority. This initiative aims to transform the city into a litter and waste free region, covering 90 Residential Welfare Associations (RWAs) and 64 urban villages with major focus on capacity building of relevant stakeholders, intensive behavior change campaigns, awareness drives and technological solutions. Clean NOIDA has so far been able to make the following changes on the ground. As on March 31, 2020,
 - Capacity building of 3,500 sanitation workforce on solid waste management was facilitated. Along with health check-up, these workers were distributed Personal Protection Equipment (PPE).
 - Clearing of 235 tons of waste through cleaning of Garbage Vulnerable Points (GVPs) has been facilitated
 - 1,500 twin litter bins were installed at different spots in Noida.
 - Around 30,000 households and commercial establishments in 8 urban villages covered with 100% door-to-door waste collection, street sweeping and drain cleaning. 45,000 households and commercial establishments were doing 100% waste segregation.
 - In order to reduce use of plastic, more than 18,000 cloth bags were distributed to the residents of Noida.
- HCL partnered with the McGrath Foundation in Australia to support and work in the area of breast cancer awareness. Its mission is to ultimately benefit the Australian families who need ongoing physical, psychological and emotional support.
- HCL Foundation was recognized by the Basic Directorate of Education, Government of Uttar Pradesh for creating a pathway to new education and changing the horizon of the education ecosystem of Uttar Pradesh in presence of Hon'ble Governor Mrs. Anandi Ben Patel.

KEY BUSINESS UPDATES

MODE 1: CORE SERVICES

HCL's Mode 1 services aim to offer a leadership position to, and enhance business competencies of, our clients for their core business processes, products and services through highest level of reliability and consistency through extreme automation, efficient delivery and operational agility. Mode 1 looks to leverage the current business and IT landscape by consolidating a firm's existing core and unearthing new ways to imbibe that core with new technologies. The services are offered in the areas of Applications, Infrastructure, Engineering and Research and Development, and Digital Process Operations

- Stanley Black and Decker, an American manufacturer of industrial tools and household hardware and provider of security products chose HCL as its sole strategic IT partner to deliver end-to-end applications, infrastructure and scale digital services as part of the client's digital transformation strategy. As part of the deal, HCL will manage the client's global applications and infrastructure landscape, and deliver digital transformation and modernization services, including transforming the client's global SAP landscape and enhance their global workplace experience.
- An integrated energy and utilities company based in South Africa selected HCL for a managed services and transformation deal. HCL will help the customer to establish an automation-led consolidated hybrid cloud environment and move more services to the cloud. The transformation scope will see HCL helping the customer take major strides into new age network and security services, DevOps and AI-enabled IT operations and an IoT and AI led workplace experience.
- New Zealand-based dairy cooperative Fonterra selected HCL for a new large contract to modernise and manage the entire technology infrastructure its employees around the world use every day. In this multi-year partnership, HCL will consolidate the client's technology suppliers and bring together its IT infrastructure services under one umbrella. The technology edge services provided by HCL will enhance the client's employee experience, to navigate through their business operations.
- A US-based manufacturer of apparels and footwear selected HCL as its IT services partner. As part of the deal, HCL will consolidate the client's suppliers, streamline and improve their IT services. HCL will also provide end-to-end integrated IT managed services including enterprise applications, infrastructure and retail support services globally.
- A US-based healthcare company selected HCL to provide digital workplace services globally. As part of the engagement, HCL will help the customer segregate from its parent entity, establish and participate in service integration and management process across multiple suppliers, provide multilingual support from four of its global delivery centers, deliver end-user devices on a consumption based desktop-as-a-service model and be contractually bound to measure and improve end-user experience.
- A leading European banking company selected HCL for end-to-end infrastructure operations and transformation. HCL will help the client setup a highly reliable and 'always on' service that reflects the 24x7 global nature of their business. HCL will drive transformation and automation initiatives across datacenter and cloud, workplace, cybersecurity, network and service management as part of this multi-year engagement.
- A US-based multinational manufacturer of chemical products selected HCL as its Digital Workplace Services partner. As part of this contract, HCL will help the client transform their workplace experience for employees. HCL will provide workplace engineering services, implement automation solutions and deliver PC as a Service (PCaaS) for client's global workforce.
- A US-based Hi-Tech company selected HCL to expand their global preferred services partnership to bring in enterprise security solutions. As part of the deal, HCL will collaborate with the client to provide services across areas of endpoint security, web security services, cloud security, and data loss prevention.
- A US-based telecom company expanded its relationship with HCL for managing their video operations as part of the customer's strategic vendor sourcing program. HCL will help the customer to build and enhance newer broadcasting methods such as OTT (over the top) and IPTV (internet protocol television) along with the maintenance of their traditional linear broadcasting operations which includes backend services, data analytics and ad-insertion.
- A leading UK-based media and entertainment company expanded its partnership with HCL to consolidate its engineering operations for its video distribution, processing and delivery product business. HCL will help the client to transform its video processing solutions to next-generation cloud digital video recorder.

- An Australian retail company expanded its partnership with HCL for rapid and agile digital development. HCL will be enhancing the customer's online presence and e-commerce channel using its Agile and DevOps delivery model along with specific focus on performance, stability and automation.
- A leading US-based retail chain of single-brand restaurants entered into a deal with HCL for creating a managed service operations layer as part of the customer's multi-vendor sourcing strategy. HCL will help the customer transform its application and infrastructure operations leading to digital transformation initiatives.
- A large US-based banking organization chose HCL as its engineering partner for digital transformation. HCL will help the client transform itself from a traditional company to a fully digital enterprise that offers its end-customers an omni-channel experience. As its digital transformation partner, HCL will help reduce the time and effort to manage international payments while taking full ownership and accountability of the client's money transfer platform.
- A Europe-based banking organization chose HCL for building a digital wealth management program. HCL will also provide a support model for the client's 'run-the-bank' initiative for global markets.
- A US-based banking and insurance company expanded its relationship with HCL to provide cognitive automation and contact center support for key processes in banking and insurance lines of business. HCL will help the customer set up automation center of excellence and support internal customers to optimize cost and improve customer experience.
- HCL was selected by a large Hi-Tech company based in US to support its global operations for enterprise and consumer products. HCL will work closely with the customer to transform its test engineering approach across embedded, mobile and web products. In addition to test engineering, HCL will also build productivity tools to enhance the customer's automation initiatives, burndown manual testing efforts through automation and improve productivity with testing accelerators.

MODE 2: NEXT-GENERATION SERVICES

Mode 2 helps enterprises take the next digital leap through experience-centric and outcome-based integrated offerings and specialized divisions in prominent technologies. The intent of HCL's Mode 2 is to offer scaled digital transformation frameworks that helps our enterprise clients to build robust new age capabilities and pivoting to new business models. Under Mode 2, HCL offers experience-centric and outcome-oriented integrated offerings enabled by a foundation of offerings including Digital and Analytics, IoTWoRKS™ (Internet of Things), Cloud Native, and Cybersecurity.

- A large US-based bank selected HCL for services in areas of user experience, salesforce, cloud, data and modern app development. HCL will create a modern stack that will enable a brand-new customer experience, increase the opportunity for personalization, and significantly reduce the time to market for new product rollouts. Furthermore, HCL will be responsible for engineering and go-to-market strategy for its digital platform for credit unions.
- A Europe-based banking company selected HCL as the implementation partner for its strategic integration platform. HCL will also be implementing services to enforce architectural standards on the application program interphase development community for the client.
- A US-based multinational life sciences and healthcare company, specializing in the discovery, development, and delivery of therapies chose HCL to setup the Redshift Warehouse -- a data warehouse product -- on the cloud.
- A US-based Hi-Tech company selected HCL to audit, and track asset presence in & out of specified areas for asset security and compliance purposes in labs and in customer locations. IoTWoRKS™ Intelligent Asset Tracking & Management (IATM) solution was chosen by the customer for this project to enhance asset life cycle management by tracking critical devices and components.
- A US-based consumer goods cooperative specializing in agriculture selected HCL for inventory management and insights on quality. HCL will deploy its IoTWoRKS™ DEFINE services to validate and provide top recommendations for sensors and gateways that could be applied to achieve better efficiency.
- A US-based retail company selected HCL to transform its store operations. HCL will deploy its radar-based technology coupled with distributed intelligence to provide real-time and anonymized insights into shopper demographics, shopping behaviors and preferences, abandoned carts (lost sales), check-out lane bottlenecks, and peak hours to deliver transformational impact to operations and shopper experience.
- A US-based life sciences company selected HCL for implementing cloud security solution across organization to ensure that the users can make secure use of the cloud services subscribed by the customer and comply to applicable policies. HCL will also help the customer to predict and detect the use of cloud services, prevent misuse, and respond to any security risks on time, thus maintaining the security posture across the organization.

- A US-based insurance and finance company selected HCL for managing operations for endpoint security controls, database activity monitoring along with 24*7 security monitoring through its state-of-the-art Cyber Security Fusion Centers (CSFC). HCL will also help the customer transform their existing Identity and Access Management (IAM) operations to strengthen their existing processes.

MODE 3: PRODUCTS & PLATFORMS

Mode 3 offerings best represent HCL's futuristic outlook to create innovative IPs by leveraging the ecosystem model through strategic partnerships, carve outs and co innovation programs. Through both internal and external IP creation, Mode 3 achieves two objectives - take advantage of specific next-generation opportunities and enabling our enterprise clients to be future-ready.

- A large European bank signed a deal for HCL BigFix. BigFix is an endpoint management platform that enables IT Operations and Security teams to fully automate discovery, management and remediation, whether its on-prem or cloud, regardless of location or connectivity.
- A major international hotel chain signed a deal for Unica, a marketing platform built by experts, that crafts a precise marketing campaign customised to a customer's needs.
- A leading European banking company chose HCL to deploy a suite of DRYiCE™ software products. DRYiCE™ iAutomate will provide AI driven auto remediation of IT related tickets MyXalytics will act as a single pane of glass and provide visibility into IT Operations from people, process and technology standpoint. DRYiCE™ Gold Blueprint on ServiceNow will provide the client with well-defined IT Service Management (ITSM) data models, predefined policies and business rules, thus enabling quick implementation and faster time to floor.
- A South Africa-based integrated energy and utilities company chose HCL to deploy a suite of DRYiCE™ software products. DRYiCE™ iAutomate will enable AI driven intelligent automation of voluminous and repetitive IT related issues. DRYiCE™ MyXalytics will provide the client a unified reporting and dash-boarding mechanism throughout the enterprise for tracking various KPI's and metrics.
- A US-based manufacturing company chose HCL to deploy a suite of DRYiCE™ software products. DRYiCE™ iAutomate will enable them to automate IT specific use cases. DRYiCE™ MyXalytics will provide the client a unified reporting and dash-boarding mechanism throughout the enterprise for tracking various KPI's and metrics. DRYiCE™ SX will act as an e-commerce style services marketplace for facilitating internal service requests from client's employees.
- A New Zealand-based multinational consumer goods company specializing in dairy chose HCL to deploy a suite of DRYiCE™ software products. DRYiCE™ Lucy will serve as a Cognitive Virtual Assistant (CVA) to support and address a high volume of queries from the client employee base DRYiCE™ OptiBot will enable the client to enhance end-user productivity and reduce the IT support by pre-emptively fixing commonly occurring issues through its self-heal mechanism DRYiCE™ NetBot will serve as a network lifecycle automation solution for automating end-to-end network operations.

PRODUCT LAUNCHES

- **AppScan:** HCL announced the latest version of HCL AppScan, a pioneering product in application security testing, to be generally available in April 2020. AppScan is a single solution for automated application security testing and management activities
- **Unica:** HCL announced the launch of version 12.0 of Unica, to be generally available in April 2020. The largest and most comprehensive update to the Unica platform ever, the new version comes with over 200 enhancements, 25 new features, 90+ native reports, and a new UI/UX.
- **BigFix:** HCL announced BigFix 10, a major new release of the industry's leading endpoint management platform, to be generally available in April 2020. BigFix 10 is the only endpoint management platform that enables IT/Security Operations to fully automate discovery, management and remediation, whether it's on-prem or cloud, regardless of location or connectivity. Unlike complex tools that cover a limited portion of your endpoints and take days or weeks to remediate, BigFix can find and fix all endpoints faster than any other solution.
- **DRYiCE™ Gold BluePrint on ServiceNow:** DRYiCE™ Gold BluePrint has been upgraded to support the latest ServiceNow release of Orlando. This platform upgrade has been complemented by several enhancements directed towards achieving operational excellence. A few of the new features: Relate articles with catalogue items, directly raise incidents from knowledge articles, enhanced i-License, improved refer-back functionality, enhanced Data Management Application.
- **DRYiCE™ OptiBot:** A new released version introduces a range of enhancements, including improved performance, new features, functionality, and improved security. User experience of OptiBot console has been enhanced to make it more intuitive and usable. Broadcast alert and notification capability has been added to the application.
- **DRYiCE™ iControl:** Version 1.1.1 (General Availability) has been released in January 2020. Key features for the release are: Real-time monitoring flow widget, Navigation and UX journeys between flows, targets, etc.

FINANCIALS IN US\$ FOR THE QUARTER AND YEAR ENDED 31st MARCH, 2020 (US GAAP)

CONSOLIDATED INCOME STATEMENT

(Amount in US \$ Million)

INCOME STATEMENT	QUARTER ENDED			GROWTH		YEAR ENDED		GROWTH
	31-Mar-19	31-Dec-19	31-Mar-20	YoY	QoQ	31-Mar-19	31-Mar-20	YoY
Revenues	2,277.8	2,543.4	2,543.4	11.7%	0.0%	8,632.4	9,936.0	15.1%
Direct Costs	1,445.1	1,566.7	1,523.2			5,478.0	6,188.1	
Gross Profits	832.7	976.7	1,020.3	22.5%	4.5%	3,154.4	3,747.8	18.8%
Research & Development	37.0	47.4	46.1			132.1	181.0	
SG & A	280.4	302.2	327.9			1,027.7	1,222.1	
EBITDA	515.3	627.1	646.2	25.4%	3.1%	1,994.6	2,344.8	17.6%
Depreciation & Amortisation	79.5	112.3	115.4			306.7	399.2	
EBIT	435.8	514.7	530.9	21.8%	3.1%	1,688.0	1,945.5	15.3%
Foreign Exchange Gains/(Loss)	3.4	1.9	(5.0)			25.9	(1.9)	
Other Income, net	13.7	7.5	3.1			84.2	27.1	
Provision for Tax	87.4	96.6	96.4			354.3	412.7	
Net gain attributable to redeemable non-controlling / non-controlling interest	1.1	1.1	1.1			3.1	4.4	
Net Income	364.3	426.5	431.4	18.4%	1.2%	1,440.8	1,553.7	7.8%
Gross Margin	36.6%	38.4%	40.1%			36.5%	37.7%	
EBITDA Margin	22.6%	24.7%	25.4%			23.1%	23.6%	
EBIT Margin	19.1%	20.2%	20.9%			19.6%	19.6%	
Net Income Margin	16.0%	16.8%	17.0%			16.7%	15.6%	
Earnings Per Share								
Annualized in ₹						Annual in ₹		
Basic	37.9	44.8	46.5			36.8	40.8	
Diluted	37.9	44.8	46.5			36.8	40.8	

WEIGHTED AVERAGE NUMBER OF SHARES	QUARTER ENDED			YEAR ENDED	
	31-Mar-19	31-Dec-19	31-Mar-20	31-Mar-19	31-Mar-20
Basic	2,712,529,280	2,713,419,659	2,713,665,096	2,750,726,403	2,713,085,729
Diluted	2,713,517,312	2,713,665,096	2,713,665,096	2,751,714,943	2,713,665,096

OUTSTANDING OPTIONS (in equivalent number of shares)	31-Mar-19	31-Dec-19	31-Mar-20
Options at less than market price	553,680	-	-

CONSOLIDATED BALANCE SHEET

(Amount in US \$ Million)

PARTICULARS	AS ON	
	31-Mar-19	31-Mar-20
Assets		
Cash and Cash Equivalents	857.8	640.1
Accounts Receivables, net	1,693.5	1,868.0
Unbilled Receivables	420.1	480.8
Term Deposits	469.2	468.2
Investment Securities, available for sale	321.2	923.6
Inventories	13.1	12.1
Other Current Assets	524.5	685.7
Total Current Assets	4,299.4	5,078.4
Property and Equipment, net	839.3	825.2
Operating lease right-of-use assets	-	346.9
Intangible Assets, net	2,560.3	3,888.2
Term Deposits	51.4	-
Deferred Income Taxes, Net	349.6	300.9
Investments in Affiliates	5.0	5.0
Other Investments	7.2	5.1
Other Assets	409.0	548.3
Total Assets	8,521.2	10,998.2
Liabilities & Stockholders Equity		
Current Liabilities	1,612.8	2,760.8
Borrowings	576.7	672.9
Operating lease liabilities	-	326.8
Other Liabilities	222.5	336.9
Total Liabilities	2,412.1	4,097.5
Redeemable Non-Controlling Interests	65.7	69.8
Total Stockholders Equity	6,043.4	6,830.9
Total Liabilities, Redeemable Non-Controlling Interests and Equity	8,521.2	10,998.2

CONSOLIDATED CASH FLOW STATEMENT

(Amount in US \$ Million)

PARTICULARS	FY'19	FY'20	FOR QUARTER ENDED Mar-20
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Income	1,443.8	1,558.1	432.5
Adjustments to Reconcile Net Income to Net Cash provided by Operating Activities			
Depreciation and Amortization	306.7	399.2	115.4
Deferred income taxes	(86.5)	14.9	(5.3)
Others	(27.4)	39.5	22.3
Operating Cash Flow before Change in Working Capital	1,636.6	2,011.8	564.9
Changes in Assets and Liabilities, net			
Accounts Receivable and Unbilled Receivable	(251.2)	(494.7)	(202.5)
Other Assets	(254.0)	(32.7)	32.6
Other Liabilities	209.4	258.6	126.2
Net Cash provided by Operating Activities	1,340.9	1,743.0	521.2
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Property & Equipment (net)	(278.4)	(240.6)	(69.5)
Purchase of Licensed IPRs	(241.5)	(22.0)	-
Proceeds from sale of property and equipment	4.4	4.3	1.7
(Purchase) / Sale of Investment Securities	79.5	(651.1)	(227.0)
Purchase of other Investments	(4.9)	(2.3)	(0.2)
Fixed Deposits (increase) / decrease	337.4	7.7	(28.8)
Payments for business acquisitions, net of cash acquired	(402.5)	(878.6)	(0.9)
Investment in Equity Method Investee	(0.3)	(0.2)	-
Dividend from Equity Method Investee	-	0.2	-
Net Cash provided by (used in) Investing Activities	(506.4)	(1,782.5)	(324.6)
CASH FLOWS FROM FINANCING ACTIVITIES			
Buy Back of Equity Shares	(541.7)	-	-
Payment for Deferred consideration on Business Acquisition	(3.8)	(41.5)	0.3
Dividend paid	(188.6)	(228.2)	(90.7)
Loans	519.0	112.8	117.6
Capital contribution from redeemable non-controlling Interests	41.0	-	-
Dividend paid to redeemable non-controlling interests	(2.0)	(4.4)	(2.2)
Others	7.7	17.2	(14.2)
Net Cash provided by (used in) Financing Activities	(168.4)	(144.1)	10.8
Effect of exchange rate changes on cash and cash equivalents and restricted cash	(67.2)	(34.0)	(27.3)
Net increase (decrease) in cash and cash equivalents and restricted cash	598.9	(217.6)	180.1
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH			
Beginning of the Period	260.4	859.3	461.6
End of the Period	859.3	641.7	641.7

REVENUE ANALYSIS AT COMPANY LEVEL (QUARTER ENDED)

GEOGRAPHIC MIX	31-Dec-19	31-Mar-20
Americas	62.8%	63.4%
Europe	29.2%	28.7%
RoW	8.0%	7.8%

SEGMENT MIX	31-Dec-19	31-Mar-20
IT and Business Services	70.2%	70.6%
Engineering and R&D Services	16.7%	16.3%
Products & Platforms	13.1%	13.1%

VERTICAL MIX	31-Dec-19	31-Mar-20
Financial Services	21.6%	21.1%
Manufacturing	20.9%	20.7%
Technology & Services	15.1%	16.2%
Retail & CPG	10.3%	10.2%
Telecommunications, Media, Publishing & Entertainment	9.0%	8.3%
Lifesciences & Healthcare	12.2%	12.5%
Public Services [#]	10.9%	11.1%

Note: Public Services include Oil & Gas, Energy & Utilities, Travel - Transport - Logistics and Government.

CONTRACT TYPE	31-Dec-19	31-Mar-20
Managed Services & Fixed Price Projects	67.8%	68.3%
Time & Material	32.2%	31.7%

CONSTANT CURRENCY REPORTING

REPORTED	31-Mar-19	30-Jun-19	30-Sep-19	31-Dec-19	31-Mar-20
Revenue (\$ Mn)	2,277.8	2,363.6	2,485.6	2,543.4	2,543.4
Growth QoQ	3.5%	3.8%	5.2%	2.3%	0.0%
Growth YoY	11.8%	15.0%	18.4%	15.5%	11.7%
CONSTANT CURRENCY (QoQ)	31-Mar-19	30-Jun-19	30-Sep-19	31-Dec-19	31-Mar-20
Revenue (\$ Mn)	2,274.8	2,373.2	2,505.7	2,538.5	2,565.0
Growth QoQ	3.3%	4.2%	6.0%	2.1%	0.8%
CONSTANT CURRENCY (YoY)	31-Mar-19	30-Jun-19	30-Sep-19	31-Dec-19	31-Mar-20
Revenue (\$ Mn)	2,350.1	2,404.2	2,529.2	2,562.2	2,584.6
Growth YoY	15.3%	17.0%	20.5%	16.4%	13.5%

AVERAGE RATES FOR QUARTER	31-Mar-19	30-Jun-19	30-Sep-19	31-Dec-19	31-Mar-20
USD - INR	70.19	69.55	70.52	71.24	73.08
GBP - USD	1.31	1.27	1.23	1.30	1.27
EUR - USD	1.13	1.13	1.10	1.11	1.10
USD - SEK	9.20	9.45	9.66	9.54	9.79
AUD - USD	0.71	0.70	0.68	0.68	0.64

CLIENT METRICS

NUMBER OF MILLION DOLLAR CLIENTS (LTM)	31-Mar-19	31-Dec-19	31-Mar-20	QoQ CHANGE	YoY CHANGE
100 Million dollar +	10	15	15	0	5
50 Million dollar +	29	32	30	(2)	1
20 Million dollar +	95	94	96	2	1
10 Million dollar +	166	167	171	4	5
5 Million dollar +	283	302	308	6	25
1 Million dollar +	623	712	791	79	168

CLIENT CONTRIBUTION TO REVENUE (LTM)	31-Mar-19	31-Dec-19	31-Mar-20
Top 5 Clients	17.0%	15.2%	15.1%
Top 10 Clients	24.1%	22.4%	22.0%
Top 20 Clients	33.4%	33.0%	32.1%

DAYS SALES OUTSTANDING	31-Mar-19	31-Dec-19	31-Mar-20
Days Sales Outstanding - excluding unbilled receivables	67	66	66

HEADCOUNT

HEADCOUNT DETAILS	31-Mar-19	31-Dec-19	31-Mar-20
Total Employee Count	137,965	149,173	150,423
Technical	126,717	137,725	139,302
Sales and Support	11,248	11,448	11,121
Gross Addition	14,249	11,502	10,278
Attrition (LTM)*	17.7%	16.8%	16.3%

*Note: Attrition excludes involuntary attrition and Digital process operations.

CASH & CASH EQUIVALENTS, INVESTMENTS AND BORROWINGS

(Amount in US \$ Million)

	Mar-20
Cash & Cash Equivalents	640
Term Deposits	468
Investment Securities, Available for Sale	924
Total Funds (Gross Cash)	2,032

	Mar-20
Borrowings	673

FINANCIALS IN ₹ FOR THE QUARTER AND YEAR ENDED 31st MARCH, 2020 (US GAAP)

CONSOLIDATED INCOME STATEMENT

(Amount in ₹ Crores)

INCOME STATEMENT	QUARTER ENDED			GROWTH		YEAR ENDED		GROWTH
	31-Mar-19	31-Dec-19	31-Mar-20	YoY	QoQ	31-Mar-19	31-Mar-20	YoY
Revenues	15,990	18,135	18,590	16.3%	2.5%	60,427	70,678	17.0%
Direct Costs	10,134	11,176	11,151			38,316	44,018	
Gross Profits	5,855	6,959	7,439	27.0%	6.9%	22,111	26,659	20.6%
Research & Development	260	334	328			925	1,276	
SG & A	1,966	2,155	2,391			7,185	8,690	
EBITDA	3,630	4,470	4,720	30.0%	5.6%	14,001	16,694	19.2%
Depreciation & Amortisation	558	800	839			2,147	2,841	
EBIT	3,072	3,670	3,881	26.3%	5.8%	11,853	13,853	16.9%
Foreign Exchange Gains/(Loss)	23	13	(36)			182	(15)	
Other Income, net	96	54	23			590	193	
Provision for Tax	615	691	707			2,481	2,938	
Net gain attributable to redeemable non-controlling / non-controlling interest	8	8	8			21	31	
Net Income	2,568	3,037	3,154	22.8%	3.8%	10,123	11,062	9.3%
Gross Margin	36.6%	38.4%	40.1%			36.5%	37.7%	
EBITDA Margin	22.6%	24.7%	25.4%			23.1%	23.6%	
EBIT Margin	19.1%	20.2%	20.9%			19.6%	19.6%	
Net Income Margin	16.0%	16.8%	17.0%			16.7%	15.6%	
Earnings Per Share								
Annualized in ₹						Annual in ₹		
Basic	37.9	44.8	46.5			36.8	40.8	
Diluted	37.9	44.8	46.5			36.8	40.8	

WEIGHTED AVERAGE NUMBER OF SHARES	QUARTER ENDED			YEAR ENDED	
	31-Mar-19	31-Dec-19	31-Mar-20	31-Mar-19	31-Mar-20
Basic	2,712,529,280	2,713,419,659	2,713,665,096	2,750,726,403	2,713,085,729
Diluted	2,713,517,312	2,713,665,096	2,713,665,096	2,751,714,943	2,713,665,096

OUTSTANDING OPTIONS (in equivalent number of shares)	31-Mar-19	31-Dec-19	31-Mar-20
Options at less than market price	553,680	-	-

CONSOLIDATED BALANCE SHEET

(Amount in ₹ Crores)

PARTICULARS	AS ON	
	31-Mar-19	31-Mar-20
Assets		
Cash and Cash Equivalents	5,929	4,843
Accounts Receivables, net	11,706	14,134
Unbilled Receivables	2,904	3,638
Term Deposits	3,242	3,542
Investment Securities, available for sale	2,220	6,988
Inventories	91	91
Other Current Assets	3,625	5,188
Total Current Assets	29,717	38,425
Property and Equipment, net	5,801	6,244
Operating lease right-of-use assets	-	2,624
Intangible Assets, net	17,695	29,421
Term Deposits	355	-
Deferred Income Taxes, Net	2,416	2,277
Investments in Affiliates	35	38
Other Investments	50	39
Other Assets	2,827	4,149
Total Assets	58,897	83,216
Liabilities & Stockholders Equity		
Current Liabilities	11,148	20,889
Borrowings	3,986	5,092
Operating lease liabilities	-	2,472
Other Liabilities	1,538	2,548
Total Liabilities	16,672	31,002
Redeemable Non-Controlling Interests	454	528
Total Stockholders Equity	41,770	51,686
Total Liabilities, Redeemable Non-Controlling Interests and Equity	58,897	83,216

APPENDIX: COMPUTATION FORMULAE

S. No.	Formulae	Numerator	Denominator
1	Cash EPS	Net Income + Non Cash Charges – Deferred Income Taxes	Average Number of Diluted Equity Shares

Segment Definitions:

- **IT and Business Services** provide a comprehensive portfolio of IT & Business Services (Application, Infrastructure and Digital Process Operations) and Digital transformation services enabled by Digital and Analytics, IoTWoRKS™, Cloud native and Cybersecurity solutions including products developed within these businesses.
- **Engineering and R&D Services** provides comprehensive engineering services and solutions across software, embedded, mechanical, VLSI and platform engineering that support the end to end lifecycle of products – both hardware and software across diverse industries including products developed within this business.
- **Products & Platforms** includes standalone product businesses that provide modernized software products to global clients for their technology and industry specific requirements.

ABOUT HCL TECHNOLOGIES

HCL Technologies (HCL) is a leading global technology company that helps global enterprises re-imagine and transform their businesses through Digital technology transformation. HCL operates out of 46 countries and has consolidated revenues of US\$ 9.94 billion, for financial year ended 31st March, 2020. HCL focuses on providing an integrated portfolio of services underlined by its Mode 1–2–3 growth strategy. Mode 1 encompasses the core services in the areas of Applications, Infrastructure, BPO and Engineering & R&D services, leveraging DRYiCE™ Autonomics to transform clients' business and IT landscape, making them 'lean' and 'agile'. Mode 2 focuses on experience–centric and outcome–oriented integrated offerings of Digital & Analytics, IoTWoRKS™, Cloud Native Services and Cybersecurity & GRC services to drive business outcomes and enable enterprise digitalization. Mode 3 strategy is ecosystem–driven, creating innovative IP–partnerships to build products and platforms business.

HCL leverages its global network of integrated co-innovation labs and global delivery capabilities to provide holistic multi–service delivery in key industry verticals including Financial Services, Manufacturing, Telecommunications, Media, Publishing, Entertainment, Retail & CPG, Life Sciences & Healthcare, Oil & Gas, Energy & Utilities, Travel, Transportation & Logistics and Government. With 150,423 professionals from diverse nationalities, HCL focuses on creating real value for customers by taking 'Relationships Beyond the Contract'. For more information, please visit www.hcltech.com

SAFE HARBOR STATEMENT

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



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