HCL TECHNOLOGIES LTD.
Corporate Identity Number: L74140DL1991PLC046369
Technology Hub, Special Economic Zone
Plot No : 3A, Sector 126, NOIDA 201 304, UP, India.
T +91 120 6125000 F +91 120 4683030
Registered Office: 806 Siddharth, 96, Nehru Place, New Delhi-110019, India.
www.hcltech.com
www.hcl.com

September 22, 2017

Mr. Girish Joshi : **BSE Ltd.**
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400001

Mr. Avinash Kharker : **National Stock Exchange of India Ltd.**
Exchange Plaza, 5th Floor
Plot No.C/1, G Block
Bandra Kurla Complex, Bandra (East)
Mumbai 400051

Sub.: Outcome of the 25th Annual General Meeting held on September 21, 2017

Dear Sirs,

This is to inform you that the 25th Annual General Meeting ('AGM') of the Company was held on Thursday, September 21, 2017 at 11:00 A.M. at 'Stein Auditorium', Habitat World, India Habitat Centre, Lodhi Road, New Delhi – 110 003.

- In terms of Regulation 30, read with Part – A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform that all the items as given in the Notice of the AGM and reproduced hereunder have been approved with requisite majority by the shareholders of the Company. The mode of voting was Poll / remote e-voting.

Item No.	Agenda Items	Remarks
Ordinary Business		
1	Adoption of Financial Statements	Passed by Ordinary Resolution
2	Re-appointment of Mr. Sudhindar Krishan Khanna as Director.	Passed by Ordinary Resolution
3	Ratification of appointment of the Statutory Auditors.	Passed by Ordinary Resolution
Special Business		
4	Re-appointment of Mr. Shiv Nadar as the Managing Director of the Company	Passed by Special Resolution
5	Appointment of Mr. Deepak Kapoor as an Independent Director of the Company	Passed by Ordinary Resolution

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- Pursuant to the Regulation 44(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the voting results of the aforesaid items are enclosed as Annexure - I along with the Scrutinizers' Report.

- Pursuant to the Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, the Annual Report for the financial year 2016-17, duly approved and adopted by the members as per the provisions of the Companies Act, 2013 is enclosed as Annexure- II.

This is for your information and records.

Yours faithfully,
For **HCL Technologies Ltd.**

MAnand.

Manish Anand
Company Secretary

Encl: a/a

HCL Technologies Limited

Voting results as per regulation 44(3) of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015

Date of AGM	21-Sep-17
Total number of shareholders on record date (i.e. Cut-off date 14-Sep-2017)	1,56,091
No. of shareholders present in the meeting either in person or through proxy	
Promoters and Promoter Group:	6
Public	1,490
No. of shareholders attended through video conferencing	
Promoters and Promoter Group:	None
Public	

Resolution No. 1 : Approval of Financial statements (including Audited Consolidated Financial Statements)
Resolution required: Ordinary Resolution
Whether Promoter/ Promoter group interested in the agenda/ resolution ? NO

Category	Mode of Voting	No. of shares held	No. of votes polled	% of votes polled on outstanding shares	No. of Votes- In favour	No. of Votes- against	% of Votes in favour on votes polled	% of Votes against on votes polled
		1	2	3=(2/1)*100)	4	5	6=(4/2)*100	7=(5/2)*100
Promoter and Promoter Group	Remote e-voting	83,59,25,610	83,59,25,610	100.00	83,59,25,610	-	100.00	-
	Poll (Electronically)		-	-	-	-	-	-
	Postal Ballot (if applicable)		-	-	-	-	-	-
	Total	**83,59,25,610**	**83,59,25,610**	**100.00**	**83,59,25,610**	**-**	**100.00**	**-**
Public – Institutional holders	Remote e-voting	49,14,57,592	35,96,42,325	73.18	35,96,42,325	-	100.00	-
	Poll (Electronically)		-	-	-	-	-	-
	Postal Ballot (if applicable)		-	-	-	-	-	-
	Total	**49,14,57,592**	**35,96,42,325**	**73.18**	**35,96,42,325**	**-**	**100.00**	**-**
Public-Others	Remote e-voting	6,46,43,262	1,10,21,599	17.05	1,10,21,154	445	99.996	0.004
	Poll (Electronically)		1,411	0.00	1,411	-	100.00	-
	Postal Ballot (if applicable)		-	-	-	-	-	-
	Total	**6,46,43,262**	**1,10,23,010**	**17.05**	**1,10,22,565**	**445**	99.996	0.004
Grand Total		**1,39,20,26,464**	**1,20,65,90,945**	**86.68**	**1,20,65,90,500**	**445**	**99.99996**	**0.00004**

HCL TECHNOLOGIES LIMITED

Manand

Resolution No. 2 : Re-appointment of Mr. Sudhindar Krishan Khanna as Director
Resolution required: Ordinary Resolution
Whether Promoter/ Promoter group interested in the agenda/ resolution ? NO

Category	Mode of Voting	No. of shares held	No. of votes polled	% of votes polled on outstanding shares	No. of Votes- In favour	No. of Votes- against	% of Votes in favour on votes polled	% of Votes against on votes polled
		1	2	3=(2/1)*100)	4	5	6=(4/2)*100	7=(5/2)*100
Promoter and Promoter Group	Remote e-voting	83,59,25,610	83,59,25,610	100.00	83,59,25,610	-	100.00	-
	Poll (Electronically)		-	-	-	-	-	-
	Postal Ballot (if applicable)		-	-	-	-	-	-
	Total	**83,59,25,610**	**83,59,25,610**	**100.00**	**83,59,25,610**	**-**	**100.00**	**-**
Public – Institutional holders	Remote e-voting	49,14,57,592	37,90,85,719	77.13	36,57,12,263	1,33,73,456	96.47	3.53
	Poll (Electronically)		-	-	-	-	-	-
	Postal Ballot (if applicable)		-	-	-	-	-	-
	Total	**49,14,57,592**	**37,90,85,719**	**77.13**	**36,57,12,263**	**1,33,73,456**	**96.47**	**3.53**
Public-Others	Remote e-voting	6,46,43,262	1,10,21,189	17.05	1,10,18,116	3,073	99.97	0.03
	Poll (Electronically)		1,411	-	1,411	-	100.00	-
	Postal Ballot (if applicable)		-	-	-	-	-	-
	Total	**6,46,43,262**	**1,10,22,600**	**17.05**	**1,10,19,527**	**3,073**	**99.97**	**0.03**
Grand Total		**1,39,20,26,464**	**1,22,60,33,929**	**88.08**	**1,21,26,57,400**	**1,33,76,529**	**98.91**	**1.09**

Resolution No. 3 : Ratification of appointment of Statutory Auditors
Resolution required: Ordinary Resolution
Whether Promoter/ Promoter group interested in the agenda/ resolution ? NO

Category	Mode of Voting	No. of shares held	No. of votes polled	% of votes polled on outstanding shares	No. of Votes- In favour	No. of Votes- against	% of Votes in favour on votes polled	% of Votes against on votes polled
		1	2	3=(2/1)*100)	4	5	6=(4/2)*100	7=(5/2)*100
Promoter and Promoter Group	Remote e-voting	83,59,25,610	83,59,25,610	100.00	83,59,25,610	-	100.00	-
	Poll (Electronically)		-	-	-	-	-	-
	Postal Ballot (if applicable)		-	-	-	-	-	-
	Total	**83,59,25,610**	**83,59,25,610**	**100.00**	**83,59,25,610**	**-**	**100.00**	**-**
Public – Institutional holders	Remote e-voting	49,14,57,592	37,90,85,719	77.13	37,26,00,026	64,85,693	98.29	1.71
	Poll (Electronically)		-	-	-	-	-	-
	Postal Ballot (if applicable)		-	-	-	-	-	-
	Total	**49,14,57,592**	**37,90,85,719**	**77.13**	**37,26,00,026**	**64,85,693**	**98.29**	**1.71**
Public-Others	Remote e-voting	6,46,43,262	1,10,20,715	17.05	1,10,19,291	1,424	99.99	0.01
	Poll (Electronically)		1,411	0.00	1,411	-	100.00	-
	Postal Ballot (if applicable)		-	-	-	-	-	-
	Total	**6,46,43,262**	**1,10,22,126**	**17.05**	**1,10,20,702**	**1,424**	**99.99**	**0.01**
Grand Total		**1,39,20,26,464**	**1,22,60,33,455**	**88.08**	**1,21,95,46,338**	**64,87,117**	**99.47**	**0.53**

HCL TECHNOLOGIES LIMITED

Resolution No. 4 : Re-appointment of Mr. Shiv Nadar as the Managing Director of the Company

Resolution required: Special Resolution

Whether Promoter/ Promoter group interested in the agenda/ resolution ? NO

Category	Mode of Voting	No. of shares held	No. of votes polled	% of votes polled on outstanding shares	No. of Votes- In favour	No. of Votes- against	% of Votes in favour on votes polled	% of Votes against on votes polled
		1	2	3=(2/1)*100)	4	5	6=(4/2)*100	7=(5/2)*100
Promoter and Promoter Group	Remote e-voting	83,59,25,610	83,59,25,610	100.00	83,59,25,610	-	100.00	-
	Poll (Electronically)		-	-	-	-	-	-
	Postal Ballot (if applicable)		-	-	-	-	-	-
	Total	**83,59,25,610**	**83,59,25,610**	**100.00**	**83,59,25,610**	**-**	**100.00**	**-**
Public – Institutional holders	Remote e-voting	49,14,57,592	37,85,49,259	77.03	32,86,81,970	4,98,67,289	86.83	13.17
	Poll (Electronically)		-	-	-	-	-	-
	Postal Ballot (if applicable)		-	-	-	-	-	-
	Total	**49,14,57,592**	**37,85,49,259**	**77.03**	**32,86,81,970**	**4,98,67,289**	**86.83**	**13.17**
Public-Others	Remote e-voting	6,46,43,262	1,10,14,737	17.04	1,10,13,387	1,350	99.99	0.01
	Poll (Electronically)		1,411	-	1,411	-	100.00	-
	Postal Ballot (if applicable)		-	-	-	-	-	-
	Total	**6,46,43,262**	**1,10,16,148**	**17.04**	**1,10,14,798**	**1,350**	**99.99**	**0.01**
Grand Total		**1,39,20,26,464**	**1,22,54,91,017**	**88.04**	**1,17,56,22,378**	**4,98,68,639**	**95.93**	**4.07**

Resolution No. 5 : Appointment of Mr. Deepak Kapoor as an Independent Director of the Company

Resolution required: Ordinary Resolution

Whether Promoter/ Promoter group interested in the agenda/ resolution ? NO

Category	Mode of Voting	No. of shares held	No. of votes polled	% of votes polled on outstanding shares	No. of Votes- In favour	No. of Votes- against	% of Votes in favour on votes polled	% of Votes against on votes polled
		1	2	3=(2/1)*100)	4	5	6=(4/2)*100	7=(5/2)*100
Promoter and Promoter Group	Remote e-voting	83,59,25,610	83,59,25,610	100.00	83,59,25,610	-	100.00	-
	Poll (Electronically)		-	-	-	-	-	-
	Postal Ballot (if applicable)		-	-	-	-	-	-
	Total	**83,59,25,610**	**83,59,25,610**	**100.00**	**83,59,25,610**	**-**	**100.00**	**-**
Public – Institutional holders	Remote e-voting	49,14,57,592	37,74,09,078	76.79	36,89,29,718	84,79,360	97.75	2.25
	Poll (Electronically)		-	-	-	-	-	-
	Postal Ballot (if applicable)		-	-	-	-	-	-
	Total	**49,14,57,592**	**37,74,09,078**	**76.79**	**36,89,29,718**	**84,79,360**	**97.75**	**2.25**
Public-Others	Remote e-voting	6,46,43,262	1,10,21,310	17.05	1,10,19,000	2,310	99.98	0.02
	Poll (Electronically)		1,411	-	1,411	-	100.00	-
	Postal Ballot (if applicable)		-	-	-	-	-	-
	Total	**6,46,43,262**	**1,10,22,721**	**17.05**	**1,10,20,411**	**2,310**	**99.98**	**0.02**
Grand Total		**1,39,20,26,464**	**1,22,43,57,409**	**87.96**	**1,21,58,75,739**	**84,81,670**	**99.31**	**0.69**

To,

The Chairman of the 25th Annual General Meeting of the members of HCL Technologies Limited held on Thursday, 21st September, 2017 at 11.00 A.M. at the Stein Auditorium, Habitat World, India Habitat Centre, Lodhi Road, New Delhi - 110003

Sub.: Consolidated Scrutinizer's Report of e-voting and voting by Ballot at the AGM

Dear Sir,

I, Nityanand Singh, (Proprietor) of M/s. Nityanand Singh & Co., Company Secretaries having its office at 14, Second Floor, Arjun Nagar, Safdarjung Enclave, New Delhi-110029, appointed as the scrutinizer of **HCL Technologies Limited** (the "**Company**") for the purpose of scrutinizing voting through remote e-voting and polling done through ballot (via Note Pads) at the 25th Annual General Meeting of the equity shareholders of the Company held on 21st September, 2017, pursuant to section 108 & 109 of the Companies Act, 2013, read along with Rule 20 & 21 of the Companies (Management and Administration) Rules, 2014, as amended from time to time. In respect of the below mentioned resolutions proposed at the AGM of the Company, I submit herewith my combined report on the results on 'e-voting and voting by ballot' (Via Note Pads)' at the meeting as under:

1. The E-voting period remained open from 17th September, 2017 (9.00 A.M. IST) to 20th September, 2017 (5:00 P.M. IST).

2. The Shareholders holding shares as on the "cut off" date i.e. 14th September, 2017 were entitled to vote on the proposed resolutions (item no.1 to 5) as set out in the Notice dated 18th August, 2017 of the 25th Annual General Meeting of **HCL Technologies Limited**.

3. The votes were unblocked on **21st September, 2017** around 12.26 P.M. in the presence of two witnesses, Ms. Menka Limani R/o. A-1013 Palam Ext. Part 1, Sector-7, Dwarka, New Delhi and Mr. Devesh Arora R/o WZ 466A Ground floor, Basai Dara Pur, New Delhi-110015 who are not in the employment of the Company. They have signed below in confirmation of the votes being unblocked in their presence.

Menka Limani

NITYANAND SINGH & CO. NEW DELHI COMPANY SECRETARIES

Devesh Arora

4. Thereafter, the details containing, inter-alia, list of Equity Shareholders, who voted "For" and "Against", were downloaded from the e-voting website of National Securities Depository Limited (https://www.evoting.nsdl.com/).

5. The voting through Ballot was done by Notes Pads with the assistance of NSDL representatives.

6. After the time fixed for closing of the voting through Ballot (Via Note Pads) by the Chairman, the votes were unblocked on 21st September, 2017 at 12.17 P.M approx. in my presence.

7. I now submit my consolidated report as under:

Resolution 1– Adoption of Financial Statements (including Consolidated Financial Statements) of the company for the financial year ended March 31, 2017 together with the Reports of the Board of Directors and Auditors.

Particulars	Consolidated Voting Results		% of Total Votes Cast
	No. of Members who voted	No. of votes cast	
Votes in favour of resolution	1,697	1,20,65,90,500	99.99996
Votes in against of resolution	10	445	0.00004
Invalid Votes	--	--	--

Resolution 2 – Appointment of a Director in place of Mr. Sudhindar Krishan Khanna (DIN-01529178), who retires by rotation and being eligible, offers himself for re-appointment.

Particulars	Consolidated Voting Results		% of Total Votes Cast
	No. of Members who voted	No. of votes cast	
Votes in favour of resolution	1,646	1,21,26,57,400	98.91
Votes in against of resolution	57	1,33,76,529	1.09
Invalid Votes	--	--	--

NITYANAND SINGH & CO. NEW DELHI COMPANY SECRETARIES

Resolution 3 – Ratification of appointment of M/s. S. R. Batliboi & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 301003E/E300005), as Statutory Auditors.

Particulars	Consolidated Voting Results		% of Total Votes Cast
	No. of Members who voted	No. of votes cast	
Votes in favour of resolution	1,674	1,21,95,46,338	99.47
Votes in against of resolution	28	64,87,117	0.53
Invalid Votes	--	--	--

Resolution 4 - Re-appointment of Mr. Shiv Nadar (DIN - 00015850) as the Managing Director of the Company.

Particulars	Consolidated Voting Results		% of Total Votes Cast
	No. of Members who voted	No. of votes cast	
Votes in favour of resolution	1,545	1,17,56,22,378	95.93
Votes in against of resolution	157	4,98,68,639	4.07
Invalid Votes	--	--	--

Resolution 5 – Appointment of Mr. Deepak Kapoor (DIN – 00162957) as an Independent Director of the Company.

Particulars	Consolidated Voting Results		% of Total Votes Cast
	No. of Members who voted	No. of votes cast	
Votes in favour of resolution	1,640	1,21,58,75,739	99.31
Votes in against of resolution	51	84,81,670	0.69
Invalid Votes	--	--	--

On the basis of the above results, all the resolutions have been passed with the requisite majority.

NITYANAND SINGH & CO. NEW DELHI COMPANY SECRETARIES

8. The voting results as per reg. 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is attached with this report as **Annexure.**

Thanking you,
Yours truly,
For Nityanand Singh & Co.,
Company Secretaries

NITYANAND SINGH & CO. NEW DELHI COMPANY SECRETARIES

Nityanand Singh (Prop.)
FCS 2668, CP 2388

Place: New Delhi
Date: 22nd September, 2017

BUILDING 21ST CENTURY ENTERPRISES THROUGH MODE 1-2-3 STRATEGY

ANNUAL REPORT 2016–17

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BOARD OF DIRECTORS

MR. SHIV NADAR
Chairman & Chief Strategy officer

MS. ROSHNI NADAR MALHOTRA
Non-Executive Director

MR. SUDHINDAR KRISHAN KHANNA
Non-Executive Director

MR. DEEPAK KAPOOR
Non-Executive & Independent Director

MR. KEKI MISTRY
Non-Executive & Independent Director

MS. NISHI VASUDEVA
Non-Executive & Independent Director

MR. RAMANATHAN SRINIVASAN
Non-Executive & Independent Director

MS. ROBIN ABRAMS
Non-Executive & Independent Director

MR. SUBRAMANIAN MADHAVAN
Non-Executive & Independent Director

DR. SOSALE SHANKARA SASTRY
Non-Executive & Independent Director

MR. THOMAS SIEBER
Non-Executive & Independent Director

MR. C. VIJAYAKUMAR
President & Chief Executive Officer

MR. ANIL KUMAR CHANANA
Chief Financial Officer

MR. MANISH ANAND
Company Secretary

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

BANKERS

1. **Citibank N.A.**
   Global Transaction Services
   Citigroup Corporate and Investment Banking
   17th Floor, 'M' Block Jacaranda Marg
   DLF City Phase II Gurgaon – 122002

2. **Deutsche Bank AG**
   Corp. Office – DLF Square 4th floor
   Jacaranda Marg, DLF City,
   Phase – II, Gurgaon - 122002

3. **The Hongkong and Shanghai Banking Corporation Limited**
   Major Corporates Group (MCG)
   Institutional Plot No. 68, Sector 44
   Gurgaon - 122002

4. **State Bank of India**
   Corporate Accounts Group –II
   4th and 5th Floor, Redfort Capital
   Parsvnath Towers, Bhai Veer Singh Marg
   Gole Market, Near Speed Post Office
   New Delhi-110001

5. **Canara Bank**
   Prime Corporate Branch-I
   DDA Building, Plot No. 1
   1st Floor, Near Paras Cinema
   Outer Ring Road, Nehru Place
   New Delhi – 110019

6. **Standard Chartered Bank**
   3rd Floor, DLF Building No. 7A
   Sector 24, 25 & 25A
   DLF Cyber City Gurgaon – 122022

7. **BNP Paribas**
   8th Floor, Sood Tower (East Tower)
   25, Barakhamba Road
   New Delhi-110001

8. **Bank of America N.A.**
   DLF Centre, 1st Floor
   Sansad Marg, New Delhi-110001

MANAGEMENT DISCUSSION AND ANALYSIS

Investors are cautioned that this discussion contains forward-looking statements that involve risks and uncertainties. When words like ‘anticipate,’ ‘believe,’ ‘estimate,’ ‘intend,’ ‘will,’ ‘expect’ and other similar expressions are used in this discussion, they relate to the Company or its business and are intended to identify such forward-looking statements. The Company undertakes no obligations to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or other factors. 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 and Concerns’ 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.

INSIDE

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THE CHANGING LANDSCAPE

Industry Overview

The digital age is rapidly transforming technology paradigms, redefining the way businesses and technology interact with each other. Today, businesses across industries stand at an inflection point due to far-reaching disruptions, fueled by Automation, Cloud, Artificial Intelligence, IoT and Digitalization.

Technology is not only impacting every aspect of human life and society, it has become a key lever for driving business outcomes and success. More than ever, technology is taking precedence across almost all areas of business, as the priorities have changed from cost-saving and cost-efficiency to driving innovation, business growth and customer delight.

The momentum of change, stimulated by an explosion of data and connected devices, software defined infrastructure, cloud-enabled, as-a-service and experience-driven digital platforms, is forcing enterprises to reimagine their business and re-engineer it for success in the new world. The industry landscape is moving towards the fourth industrial revolution where technology is becoming core to the business and transforming business models.

As 21st Century Enterprises grapple with industry disruptions, evolving dynamics and a rapidly changing business environment, they are adopting new age technologies to drive business growth, develop innovative products and offerings and solve their business problems. Organizations are striving hard not just to be at par, but to rise above their competitors and are looking for the means to that end.

HCL Strategy

Businesses across industries stand at an inflection point today. Far-reaching disruption fuelled by technologies like Digitalization, Analytics, Cloud, Security, IoT and Automation mean these technologies lie at the core of any enterprise that is trying to reinvent itself. As the demand for these services increase, HCL Technologies is accelerating its evolution into a next-generation technology services firm through HCL's Mode 1-2-3 strategy, with Mode 1 comprising core services, Mode 2 comprising next–generation services and Mode 3 comprising products & platforms.

HCL Technologies leverages its **Mode 1-2-3 strategy** to help its customers thrive in the digital age, creating unmatched value, growth and innovation through collaborative ecosystems consisting of employees, clients and partners.

Moving from traditional efficiency-oriented offerings to outcome-driven approach, HCL is helping customers adapt to the new world and navigate their way through new technologies like Internet of Things, Cloud, Software-Defined Infrastructure, Artificial Intelligence, Machine Learning, Robotics and more.

HCL's Mode 1-2-3 Strategy helps future proof its customers' businesses by focusing a concurrent 3-point spotlight on the existing core of their business, growth areas, as well as the future. Each of the three modes have a distinct outcome and growth potential. DRYiCE™, the comprehensive Autonomics & Orchestration platform, is the core force behind HCL's Mode 1 and 2 offerings. DRYiCE™ combines some of the world's best Automation and Artificial Intelligence (AI) technology across 54 interconnected modules that can automate any number of standard and non-standard tasks across infrastructure, applications, business processes and engineering services.

Mode 1 is about sustaining the leadership position,as well as gaining market share,in existing product or service offerings. It revolves around strengthening the existing core of the business, be it through forging expansion into new markets or by expanding further into existing markets. This necessitates a sharp focus on one's most powerful differentiators. The emergence of new technologies does not necessarily mean that existing products or core services are losing relevance. It implies adoption of, and adapting to, newer technologies to make them even more relevant.

The Mode 2 strategy focuses on the immediate high-growth opportunity. This is where one can step up its game, realizing high acceleration and high-growth business opportunities at the inflection points in their industry using **IoT, Digitalization, Analytics and Cyber-security capabilities**. This involves close study of the direction in which customer preferences are headed, the resultant changes in industry landscape and potential impact on one's business.

Mode 3 is about looking beyond tomorrow and aligning with the trends shaping the future. The formation of ecosystems is evident across the value chains and across industries. Therefore, rather than a ground-up approach, Mode 3 entails future proofing the business by making the required business model changes, and building innovative alliances within an ecosystem of strategic partners through **Products and Platforms**. A successful Mode 3 approach connects the dots between one's existing strengths, focus-points for tomorrow and the shifting canvas in which one operates in to stay ahead in the future.

HCL believes in the power of ideas, a culture known as Ideapreneurship™, giving the employees the license to ideate and empowering them to deliver value beyond the contract to customers. Thus, the promise of 'Relationships Beyond the Contract' (RBtC), powered by the Ideapreneurship-led culture, fosters grass-root innovation, providing an opportunity to Ideapreneurs to ideate, collaborate and create innovative ideas to solve customers' business problems. With its thrust on RBtC, HCL focuses on building long-term, mutually beneficial associations with its enterprise customers.

HCL further leverages its global network of integrated co-innovation labs, and global delivery capabilities to provide holistic multi-service delivery in key industry verticals.

HCL is the digital transformation partner of the '21st Century Enterprise' and classifies the 21st Century Enterprise as being:

1. experience-centric - strives to offer consumers and technology users a unified experience across delivery platforms
2. service-oriented - an operating model focused on customer satisfaction
3. agile and lean - "optimized" in size and scalability to rapidly adopt to technology developments
4. ecosystem-driven - collaborates to extend the technology ecosystem beyond the enterprise, and
5. outcome-based - delivers "outcomes" which cut across value chains.

Mode 1: Core Services

Under Mode 1, HCL delivers the core services in areas of Applications, Infrastructure, BPO and Engineering & R&D, leveraging DRYiCE™ Autonomics to transform clients' business and IT landscape, making them 'lean' and 'agile'. Through Mode 1 services, HCL augments its clients' core capabilities, expanding their global footprint and consolidating existing operations.

Applications Services

The applications services market today is undergoing a massive transformation with a continual shift from systems of record to systems of innovation. Overall spend on traditional applications has reduced, but HCL sees growth taking place in new technologies like cloud, applications modernization, analytics, Internet of Things and digitalization. HCL offers a comprehensive suite of services that are flexible, scalable and customized to meet clients' needs. HCL offers deep functional and technical expertise in complex application development and management, systems integration, enterprise package services and testing services across industry verticals and functional areas like HCM, SCM, Finance, CRM etc, offering customers transformational value in the new world of enterprise applications. HCL's alternative approach helps organizations make the right investments in the right solutions in parallel with key business objectives.

HCL offers a full lifecycle of consulting services and proven delivery capabilities, tailored to each client and the needs of their industry and sector. HCL's Applications business is structured around various integrated horizontal capabilities, allowing them to offer clients a unified approach in developing the right solutions for their business needs. HCL combines its core expertise and capabilities in each of these areas with deep experience in industry verticals to provide powerful business solutions and systems integration capabilities which ensure that every one of its engagements adds transformational value to the organization in an increasingly digital world.

Using end-to-end IT capabilities, from systems integration to application maintenance and support, HCL delivers value-driven solutions designed to help organizations to maximize their return on investment, enhance business productivity and reduce the total cost of technology ownership.

HCL has a strong partner network and works with leading technology providers to deliver best-in-class solutions. Each business also works with niche partners to develop solutions in specialized technology areas. HCL helps its alliance partners -

- generate incremental revenue growth through differentiated solutions and service offerings,
- extend market and geographic reach, and
- enhance their product and service offerings

HCL's delivery model integrates on-site business transformation consulting services with near and offshore technical development and support to ensure that its clients receive the ideal systems integration solutions at the right price. Through its offshore centers of excellence, HCL is able to accelerate implementation, while reducing the risks and costs associated with global deployment. Business and IT transformation is a result of HCL's unique capabilities to merge its onsite and offshore capabilities seamlessly. HCL's benefits-led approach recommends the best tools and solutions to meet an organization's needs, and incorporate best practices acquired through years of complex engagements in systems applications consulting. HCL helps organizations realize the true benefits of their technology investments by aligning IT service offerings with business goals and strategies.

HCL work with its clients to drive business outcomes through large IT program delivery. HCL has strategic partnerships with leading enterprise application providers-SAP, Oracle and Microsoft.

HCL operates as a single global organization, allowing it to deploy consulting teams that leverage proven industry and solution best practices from it offices and delivery centers around the world. HCL offers:

- A benefits-led approach
- Global labs and innovation centers dedicated to transforming ideas into real-world solutions
- Business application consulting capabilities through deep domain experience and technology expertise
- Integrated service offerings for end-to-end global applications lifecycle management
- Deep enterprise application integration solutions capabilities and skills across key industry verticals

- Creative commercial models that allow for business-aligned and outcome-based contracts
- Knowledge management consulting services to leading global companies
- World class partnerships across its core capabilities

Recognitions

- Everest Group, in its report "Life Sciences IT Application Services - Service Provider Landscape with PEAK Matrix™ Assessment 2016" named HCL among leaders, recognizing HCL's 'wide range of application services solutions across all value chain elements of life sciences practice.
- HCL has been recognized for its IT applications outsourcing leadership and integrated services value proposition for the global capital markets by Everest Group in its report titled "IT Outsourcing in Global Capital Markets - PEAK Matrix™ Assessment 2016".

Infrastructure Management Services (IMS)

HCL IMS manages mission-critical IT environments for some of the largest and most forward looking organizations in the world, including large Fortune 500 / Global 2000 companies. With differentiated and well defined value propositions, the best-in-class partner ecosystem and pioneering automation solutions based on the DRYiCE™ Autonomics platform, IMS continues to retain its market leadership position in this space by evolving to be the "digital infrastructure management" partner of choice. HCL is widely recognized by the analyst community as the leading global service provider and innovator in IT Infrastructure Management Services.

HCL recently introduced the Next Generation IT and Operations (NGIT&O) framework to enable 21st Century Enterprises operate with agility, run lean operations, and focus on customer experience - all critical success factors in today's fast moving markets. With Digitalization and Internet-of-things driving customer investment and playing critical roles in business success in the 21st Century, the NGIT&O enables "Multi-modal I.T." to support these new initiatives while running lean operations. Powering the Next Generation framework are 21st Century Blueprints for Datacenter & Cloud, Workplace Services and Networks which apply proven transformation levers across the entire I.T. Infrastructure stack to maximize benefits of a secure Enterprise Cloud, create a modernized workplace that transforms employee productivity, enable internet-optimized highly-available networks and power lean and agile operations through DRYiCE™, HCL's Autonomics and Orchestration platform.

Key IT Infrastructure service offerings which enable the Next Generation ITO include:

- **Next Generation Data Center and Cloud Services**: Powered by the 21st Century Enterprise Blueprint (21CE Blueprint) for Datacenter and Cloud, these services enable transformation and operations of Datacenters for delivery of customer facing and within-company applications and services. The 21CE Blueprint for the Datacenter is focused on "Business Outcomes"; with cloud and automation at the core with DRYiCE™. HCL supports the entire lifecycle from DC transformation to modern datacenters by enabling Hybrid Cloud and Hyper-converged Infrastructure; and running agile and lean DC operations through application of advanced autonomics and service orchestration.

- **Next Generation Workplace Services**: Powered by the 21CE Blueprint for Workplace, these services enable organizations to create a modern workplace through a whole gamut of End-user Computing services which focus on User Experience, User Empowerment, Secure productive-on-the-go and Lean Operations. With DRYiCE™ powered Automation enabling Self-Help and Self-Healing to empower users and My Workplace ensuring secure information, application and data access from any device and any location - HCL enables a workplace that is Gen-Y ready.

- **Next Generation Network Services**: Powered by the 21CE Blueprint for Networks, these services enable secure, agile, automated, efficient and optimized networks for organizations. By supporting the customers' transformation to Software Defined Networks (SDN) and Network Function Virtualization (NFV) - HCL helps them deploy secure, fast and programmable networks which can scale and transform as per changing business needs.

- **Enterprise Platform Services**: These services include the modernization of application platform infrastructure across application servers, middleware, and data platforms, by adopting pattern-driven workload engineered systems and creating enterprise-grade PaaS (Platform as a Service) to be delivered across a hybrid cloud which leverages development operations and elastic infrastructure.

- **Business Services Management**: This includes the modernization of the technology management fabric for next gen hybrid enterprises, covering unified monitoring, I.T. automation through DRYiCE™, I.T. operations analytics, and unified reporting.

- **Service Integration and Management**: This includes the modernized orchestration of multiple service providers, cloud services, and outsourcing services across a common process-driven service integration platform, powered by HCL's GBPS (Gold Blue Print Solution). The solution enables a customer to have a unified Enterprise Service Integration experience across applications, infrastructure and the cloud. SIAM (Service Integration and Management) is at the heart of I.T. service integration as a Company evolves towards Gen 3.0.

- **Integrated Operations Services across Enterprise and Digital**: HCL's integrated operations service capability brings Web-scale I.T. architecture into an enterprise. The HCL service offering combines several components including an agile development operations oriented support framework, a highly elastic and self-healing infrastructure, high levels of automation, eSecurity practices and an end-to-end performance management solution. This service offering is designed for the end-to-end I.T. operations of the digital side of large Global 2000 enterprises.

- **Technology Transformation Services**: These cover the entire range of technology infrastructure offerings. HCL has successfully delivered a large number of complex I.T. infrastructure, architecture and operations transformations, and is increasingly acknowledged and recognized by Fortune 100, Fortune 500 and Global 2000 companies as a credible alternative to top tier global MNCs.

HCL provides infrastructure management services to customers through a robust delivery network of service centers across the globe. HCL's infrastructure operations include the standardized management of over 6 million globally distributed I.T. assets and devices and over 20 million helpdesk contacts that support the needs of over 1.7 million business users in over 26 languages..

Recognitions

- HCL has been recognized as a 'leader' in Gartner[1] 'Magic Quadrant for Managed Workplace Services, North America', and 'Magic Quadrant for Managed Workplace Services in Europe', January 2017.

- HCL has been named a Leader in IDC Marketscape: Worldwide Datacenter Transformation Consulting and Implementation Services, Dec 2016.

- HCL has been positioned as a 'Leader' and 'Star Performer' in the Everest Group PEAK Matrix™ 'Global Workplace Services'.

- HCL has been positioned in the 'Winner's Circle' for Service Now Services by HfS Research, The Services Research Company™, in its inaugural report "HfS Blueprint Report: Service Now Services 2016"

- HCL has been recognized as a 'Leader' in Gartner Magic Quadrant for Data Center Outsourcing and Infrastructure Utility Services, North America and Europe, 2016.

- HCL has been named amongst leaders by Everest Group in its report "Life Sciences IT Infrastructure Services - Service Provider Landscape with PEAK Matrix™ Assessment 2016".

Engineering and R&D Services

HCL's Engineering and R&D Services (ERS), a global engineering services provider (ESP), works with some of the most innovative and successful organizations in the world. With over three decades of experience of operating under complex multi-vendor environments and customer value chains, HCL can seamlessly integrate with and complement customers' existing R&D activities.

HCL offers comprehensive engineering services and solutions in hardware, embedded, digital, mechanical and software product & platform engineering. It works with industry leaders across verticals such as aerospace and defense, automotive, consumer electronics, industrial manufacturing, medical devices, telecom and networking, office automation, semiconductor, server and storage, and software products. It successfully collaborates with other innovation partners, universities, industry bodies, and manufacturing partners.

Over the past decade, HCL's engineering services have helped large global organizations develop and launch market-leading products and services across various market segments. Today, it works with more than 60 of the top 100 R&D spenders in the globe. Empowered by a deep engineering heritage, out-of-the-box thinking, and a solid foundation of talent, processes, systems, frameworks, and tools, this group is a preferred engineering partner for global companies with its ability to drive significant business impact and value through accelerated product launches, improved engineering efficiencies, and adoption of new and disruptive technologies.

Thought leadership has become one of the key differentiators as the industry moves up the value chain. The company's engineering services offerings are committed to creation of thought leadership in areas such as the Internet of Things, digital platforms, product intelligence, big data analytics, accessibility, social media, medical devices, gesture technology, PLM and more. HCL encourages bold thinking and disruptive approach that is needed to help customers outperform in a rapidly changing digital economy. HCL Engineering R&D Services engages technology enthusiasts through CTO Straight Talk, a one-of-its-kind publication that features peer-to-peer knowledge, thought leadership, and creates a new platform for industry leaders to connect.

Note:

[1]*Gartner does not endorse any vendor, product or service depicted in its research publications, and does not advise technology users to select only those vendors with the highest ratings or other designation. Gartner research publications consist of the opinions of Gartner's research organization and should not be construed as statements of fact. Gartner disclaims all warranties, expressed or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose.*

HCL is constantly pushing the boundaries of technology and defining new and differentiated ways of offering industrialized engineering services. One such area is the suite of solutions which packages HCL's best practices, intellectual property and accelerated frameworks into service offerings that solve mission critical business problems for customers. ERS has a strong innovation culture, resulting in IP and strategic innovations, while leveraging alliances, start-ups and key academic research for co-creation with customers. With 1250+ patents filed on behalf of our customers till date, HCL ERS is the leader in customer experience providing best in class engineering services to them.

HCL's solutions cater to engineering needs across a company's product development lifecycle and help customers address the challenges of accelerated product development, improve price-to-benefit ratio, and adapt to new technologies. HCL is heavily investing in developing solutions that can help clients quickly impact the overall product ecosystem. To take HCL ERS beyond its traditional commercial aerospace business which is avionics, embedded software and verification oriented, HCL Technologies acquired Butler Aerospace and Defense. Butler comes with very strong mechanical engineering, after-market and tool engineering capabilities which are complementary to what HCL ERS already has. HCL has also acquired Geometric Limited to bolster its PLM Consulting, Manufacturing Engineering and Mechanical Engineering capabilities in Asset Intensive Industries.

HCL has continued to showcase its leadership in terms of service capabilities and scale of operations over a wide spectrum of industries. HCL is recognized as a leader by analyst firms in diverse domains, including automotive, consumer electronics, computer peripherals and storage, independent software vendor (ISV), consumer software, medical devices, semiconductor, cloud computing, enterprise mobility, and aerospace and defense R&D. HCL's investments in Engineering Labs (environmental compliance, certification, and benchmarking) and Centers of Excellence (in niche areas such as industrial design, high performance computing, automation, etc.) have resulted in a complete ecosystem of comprehensive engineering services from concept to go-to-market for customer products and platforms across domains. Platforms need engineering rigor for development and HCL ERS has created a robust digital platform engineering business.

Recognitions:

- HCL has been positioned in the “Winner's Circle” for its Software Product Engineering services capabilities by the leading analyst firm HfS in its report “Blueprint Report on ISV Engineering Services”. HCL was recognized as a leading service provider with strong account management, product development rigor and innovation credentials.

- CTO Straight Talk, a one of its kind Product Engineering magazine, has won BMA Award 2016 under the category of Custom Publishing - Magazine, Print or Electronic.

Business Services

HCL's Business Services (BServ) provides Next Generation Business Process Outsourcing services that enable clients to improve organizational processes, reduce costs and create economies of scale. HCL BServ is committed to innovation and the creation of business value by providing domain oriented, transformation led BPO solutions coupled with intelligent automation to Fortune 500 / Global 2000 customers.

HCL BServ offers customized services that translate into flexible and cost effective solutions of the highest quality for customers. These are uniquely positioned to service customer requirements by leveraging quality processes and innovation, talented resources, self-sustaining process framework and domain knowledge. In many large outsourcing deals, BPO is an integral part of the total services outsourced. Integrating BPO into HCL's portfolio of service offerings has provided a strong competitive advantage over other stand-alone IT / BPO services providers.

With the state-of-the-art delivery centers across India, USA, Europe, Ireland, UK, Latin America, and Philippines, HCL BServ leverages its IGDM (Integrated Global Delivery Model) to provide customers with best-in-class services.

HCL's BServ spans across banking and capital markets, insurance, life sciences and healthcare, telecom, media, publishing & entertainment, utilities, hi-tech and manufacturing, retail & consumer packaged goods and travel, transportation & logistics. BServ solutions across these industries include:

- Front office solutions across Customer Management Services and Product Support
- Mid-office solutions across respective industries
- Back office solutions across FAO, SCM, Procurement
- Consulting and technology solutions across BPM, RPA and platforms
- Analytics

The HCL BServ edge is a result of the following differentiating factors :

Innovation Flexibility*:* HCL's unique combination of deep domain expertise in BServ, technological know-how, and process excellence has allowed us to constantly innovate and reinvent smarter ways to deliver BServ services. HCL BServ has demonstrated this by creating and executing highly customized BServ constructs ranging from Joint Venture (JV), Build-Operate-Transfer (BOT), Assist-Captive, Hybrid, pure-play third-party outsourcing and co-sourcing models. HCL's services capability has ensured regulatory compliance in various markets, while at the same time allowing clients an appropriate level of control and visibility across their outsourced operations.

Integrated Model: HCL's proprietary EFaaS™ (Enterprise Function as a Service) model offers an on-cloud solution for organizations looking to reduce their cost of enterprise functions. By re-engineering business processes, standardization of application platforms, and creation of shared service centers, HCL's EFaaS™ holistically transforms the clients' enterprise functions while significantly reducing the total cost of operations. HCL's ability to uniquely deliver BServ services through the right payment models, such as per-use, per-transaction, per-subscriber, helps reduce heavy, one-time setup costs, and accelerates outcomes for its clients.

Industry-specific offerings: Leveraging its deep domain expertise across various industry verticals and horizontal service lines, and the ability to bring in the right tools and technologies, HCL BServ has constructed various service propositions that are targeted at specific business challenges. HCL brings a smart ecosystem of strategic partners who offer new-age and niche capabilities to the BServ industry, such as digital transformation, analytics, robotics process automation, cognitive computing & artificial intelligence.

BPM Workflow platform: HCL's proprietary BPM platform (TOSCANA™) enables us to effectively mobilize across disparate operating systems, and provide end-to-end visibility and control over the entire business process. Since TOSCANA™ can easily be integrated with the underlying systems and databases, it also incorporates elements of operational analytics and dashboards, enabling faster and more informed real-time business decisions.

Best in class Tools, Technologies and Platforms: HCL's DRYiCE™ Autonomics framework combines the power of Orchestration and Agility to deliver accelerated value through smarter automation. This framework incorporates multiple technology elements, such as Workflow BPM solutions, control definition for risk and compliance management, Lean for waste elimination, Robotics Process automation for automating high volume transactional processes, setting up automation CoEs, Machine learning, Natural Language Processing, and Service exchange.

Recognitions*:*

- HCL Technologies has won the following awards at the Asia Outsourcing Congress Awards 2016-17:
  - o Health Insurance BPO Provider
  - o Best Use of Technology for Operational Excellence
- HCL won the 'BPO Innovation of the Year' award by 'CMO Asia' at the 'Asia Outsourcing Excellence Awards 2016', Singapore.
- HCL Technologies has been recognized as a Leader by Everest Group in its report, "Retail Banking BPO - State of the Market with PEAK Matrix™ Assessment 2016".

Mode 2: Next-Generation Services

Under Mode 2, HCL delivers experience-centric and outcome-oriented integrated offerings of Digital and Analytics, IoT WoRKS™, Cloud and Cyber-Security, utilizing DRYiCE™ Orchestration.

Digital and Analytics Services

HCL believes that every Enterprise has a unique DNA, which can be amplified by the true power of Digital and Analytics. The current state of digital technology for a 21st Century Enterprise can be defined as Digital Technology Footprint (DTF). Digital Technology Footprint™ is a comprehensive services framework to address the technology needs of Enterprises on their journey to Digital Transformation. It aligns and integrates cross-functional services, competencies, tools, technologies, partnerships and talent from across HCL, to offer a catalog of services designed to power a customer's digital journey.

HCL's Digital and Analytics Services division helps in designing and building key platform components for the customers' Digital-Technology-Footprint ™ to power their Digital Transformation Journey.

After building powerful, immersive, as well as experiential platforms & infrastructure for many global customers, HCL understands that Digital is a journey into fundamental business transformation that begins with reimagining existing business processes & user experiences. This is the reason HCL has developed a world-class digital business and process transformation practice with access to co-innovation labs across three continents. Moreover, HCL has templatized industry process-led transformation pathways.

While processes and experiences are reimagined with the power of design-thinking, the magic is truly realized through digital platforms and applications services. Armed with over a decade of experience in building modern API-led applications, HCL's engineers are building business-critical, flexible and extendable micro-services based lightweight digital solutions. This makes business transformation a reality.

Business analytics services help customers maximize the value they derive from the data available to them, be it to transform customer experiences or to increase process efficiencies. HCL supports complete data lifecycle for the customers through a comprehensive system for the most common data platforms and tools.

HCL's breadth and depth of service offerings takes the customers' Digital Transformation Journey to completion by the implementation of Digital Technology Footprint ™ that is right for them. HCL makes the digital journey real through the following key offerings:

- Digital Process and Experience Consulting (DPEC): 'Spearhead' services for Digital Transformation which applies the power of Design-thinking to reimagine Business Processes, Customer Experience and User Experience.

- Digital Platform and Application Services (DPAS): Comprehensive design, build and modernization services for Digital Platforms & Applications; leveraging modern, lightweight, API-led, Micro-Services based technology architectures.

- Business Analytics Services (BAS): Full Information Management lifecycle services that connects businesses, platforms, customers, employees and partners, by integrating data and delivering insights across the global digital ecosystem.

Recognitions

- HCL has been positioned amongst leaders for 'Digital Services in Retail' by the leading management consulting firm Zinnov, in its recent report titled "Retail Digital Services Landscape - 2016".

- HCL has been named as a Leader in the PEAK Matrix™ Assessment report for Life Sciences Digital services by Everest Group.

- HCL has been recognized for its capabilities in digital transformation. "HCL pursues a focused approach that it calls the inverted pyramid, which essentially puts digitizing operations first as the core enabler of digital transformation" says Forrester in the report titled 'Vendor Landscape: The Digital Transformation Capabilities of Large Services Providers', Sep'2016 by Liz Herbert.

- HCL has been recognized as a Leader for Worldwide Big Data Consulting and Systems Integration Services by IDC Marketscape in its report, "IDC MarketScape: Worldwide Big Data Consulting and Systems Integration Services". According to the report, buyers rate HCL highly for helping achieve desired business outcomes, handling changes in project scope, and offering flexible pricing models.

- HCL has been recognized as a leader for Business Process Management services by Forrester Research, an independent research company in its report titled, "The Forrester Wave™: BPM service providers, Q4 2016".

IoT WoRKS™

IoT WoRKS™, a dedicated IoT business unit of HCL Technologies, enables organizations to create best-in-class business solutions by maximizing effectiveness and returns on their asset investments. These solutions enable IoT led business transformation through creation of more efficient business processes, new revenue streams and business models that deliver measurable business outcomes. The transformative impact of IoT is realized by IoTizing the 'things', connecting the assets to a data platform and then using the data to derive business insights and take business decisions which ultimately lead to change in enterprise's processes and people practices.

IoT WoRKS™ provides end-to-end IoT services for organizations across the three phases - Define, Build & Run, to help design enterprise IoT strategy, develop and run the IoT systems for realizing business value. Recognized as a market leader in IoT by four leading analyst firms, IoT WoRKS™ continues to strengthen its leadership position in the fast growing global IoT services and consulting market.

Recognitions

IoT WoRKS™, the front-runner in the field of IoT, continues to make inroads and be recognized for its end-to-end Internet of Things (IoT) capabilities, global leadership and comprehensive portfolio including investments in solutions to demonstrate various interesting use cases.

- HCL has been named a Leader in IDC MarketScape for Worldwide Internet of Things Consulting and Systems Integration Services, November 2016.

- Everest Group named 'IoT WoRKS' among leaders for IoT services in its recent report titled "Internet of Things Services - PEAK Matrix™ Assessment and Market Trends".

- Zinnov has named HCL in the "Leadership Zone" in its report "Zinnov Zones 2016 - Internet of Things Technology Services."

Another feather in the cap is the Best Testbed award won by IoT WoRKS™ for its Medical Kit Track & Trace solution at IoT Solutions World Congress in Barcelona, in 2016 amongst 100+ other competitors.

HCL continues to develop best-in-class IoT frameworks, solutions and offerings as well as strengthen its IoT ecosystem play with the right partnerships, and engage customers with innovative business models to drive this phenomenal business transformation opportunity.

Cloud Native Services

HCL's Cloud Services division brings together a full gamut of cloud consulting, migration, implementation and operations services under a single umbrella. This unit has been put together under the CTO's direct supervision to address the escalating importance of cloud technologies as the foundation of 21st Century Enterprises.

The Cloud Services unit works across all HCL service lines and verticals to ensure that the latest cloud computing related expertise, innovation, technology frameworks and ecosystem partnerships are leveraged in its current and future customer engagements.

The Cloud Services Unit addresses directly and through influence, the complete cloud lifecycle; beginning with Cloud Consulting at the top end. Strong consulting and assessment experts, leveraging proven methods and frameworks, will ensure that digital-led business transformation efforts are guided by strong cloud foundation. This is followed up by XaaS ecosystem services which provide cross-platform certified expertise, and tools, technologies and partnerships to provide customers' application and infrastructure portfolio the most effective path to the "Right Cloud". This path can include SaaS migration, Application re-platforming & re-engineering and native cloud development.

Finally, the Cloud Services Unit enables robust cloud operations through ElasticOps - powered by the award winning DRYiCE™ Autonomics & Orchestration platform. Strong A.I.-enabled automation significantly simplifies complex multi-cloud operational environments, enabling enterprises to maximize the benefits from their cloud footprint. HCL's Cloud Services unit is positioned for strategic enablement of its customers' transformation efforts as they undertake their larger journey towards becoming cloud native and activating the maximum potential of Cloud Computing in terms of lean operations and business agility.

Recognitions

- HCL won Everest Group PEAK Matrix 'Service Provider of the Year™ 2017' award for 'Cloud and Infrastructure Services (CIS)'. HCL was recognized as 'Star Performer of the Year' in the CIS category for demonstrating consistent performance across all four CIS segments, including 'workplace services', 'private-cloud enabled services', 'hosted private cloud services' and 'IT security services'.

- HCL has been positioned as a Leader in IDC MarketScape for Worldwide Cloud Professional Services 2016 Vendor Assessment.

- HCL was positioned as a Star Performer and Major Contender in the Everest Group PEAK Matrix™ for Private Cloud Enablement Services.

Cyber Security & GRC

HCL Cyber Security & GRC is a dedicated line of business, as part of HCL's Mode 2 strategy. With over two decades of experience in a changing cyber security market, HCL believes that Enterprises investing in transforming their operations, processes and customer experiences are exposing their employees, users, partners, physical & digital assets and data to an escalating cyber-threat landscape. There is also increased risk to business growth from tightening controls and regulations. HCL's Cyber security & GRC services brings together Consult, Design, Build and Manage services to provide 360° resilience to enterprises, enabling them to adopt a dynamic security posture. These services are offered across the following domains:

- Application Security
- Infrastructure Security
- Identity Access & Management
- Governance Risk & Compliance
- Business Continuity & Disaster Recovery

HCL's security experts leverage a wide range of "Dynamic Security Technologies" such as A.I. & Analytics driven Security Operations and Automated Response; Identity-centric Security; Native Cloud based Security services; Real-time business risk visibility and others; to ensure that customers reach their business goals with confidence. This coupled with a strong experienced skill base, deep partnerships with the world's leading security technology providers and innovative solutions and service accelerators, position HCL very favorably in the growing Cybersecurity & GRC market.

Recognitions

- HCL has won the 'GRC Innovation Partner of the Year 2016' Award at MetricStream GRC Summit 2016.

DRYiCE™

DRYiCE™ is the core force behind HCL's MODE 1 and 2 offerings. A comprehensive Autonomics & Orchestration platform for IT Automation, DRYiCE™ combines some of the world's best Automation and Artificial Intelligence (AI) technology across 54 interconnected modules that can automate any number of standard and non-standard tasks. Modules work across infrastructure, applications, business processes and engineering and help in delivering IT Automation, Cloud & DevOps Automation, SDLC / PDLC Automation and Robotic Process Automation.

The main goal HCL is trying to achieve is to enable large enterprises to simplify operations, monitor information and take automated actions. DRYiCE™ modules can be used in plug-n-play mode, or reengineered to work with existing infrastructure and applications. DRYiCE™ fits seamlessly into the human way of doing things, just making it faster, error-free and scalable, thereby enabling humans to do higher-order tasks by augmenting capabilities.

Recognitions*:*

- HCL won the 'Best AI Innovator' award at the 2016 AIconics Awards for Satori-DRYiCE™ module, that is an AI-enabled web application combining the functions necessary for traditional and 21st-Century Enterprises.

- HCL won the Best Innovation in Natural Language Processing (NLP) award at the AIconics Awards, at the AI Summit in May 2016. HCL was also named as a finalist in the Best Intelligent Assistant category, which showcases companies making ground-breaking advancements in virtual assistants and advanced voice / text recognition capabilities.

Mode 3: Products & Platforms

HCL Products & Platforms was launched as a new business unit of HCL Technologies in 2016 with the mission to develop and deliver a next-generation portfolio of enterprise-grade software-based offerings with flexible consumption models, spanning traditional on - premises software, Software-as-a-Service (SaaS), and bundled managed services.

HCL's strategy is to build upon the core strengths of HCL's services businesses - helping enterprises with solutions across DevOps, Automation, Application Modernization, Security, and Data Management. HCL embraces the real-world complexity of multi-mode IT that ranges from mainframe to cloud and everything in between, while focusing on customer success and building 'Relationships Beyond the Contract.'

HCL seeks to acquire and develop products not only from categories mentioned above that complement HCL's existing businesses, but also products with large user bases and high profitability. Many of these products are mature, but HCL believes they can achieve more interest and growth with additional investments and energy. Investments in R&D, technical resources in the field, and sales and marketing will enable us to drive greater innovation for the products, which in turn will yield more mindshare and usage, and ultimately higher revenues.

Client Advocacy, one of the key areas of investments, is a special group created to look after the best interests of the customer. This group is the liaison between customers and HCL's engineering and support teams. They help develop and nurture customer communities and work with users and HCL's technical teams to prioritize enhancements and support issues. By partnering closely with the customers, HCL believes it can stimulate and accelerate innovations that benefit both parties.

HCL believes in working with partners, creating high-value business models that integrate software and services, and finding new ways to innovate to delight its customers. HCL is committed to listening and moving with speed in response to customer support requests and future enhancements. Each partnership and product arrangement may vary, but HCL partners are primarily responsible for the sale and level one support for these products. HCL is responsible for level two support and beyond, and managing the engineering resources.

HCL is leveraging its expertise in IT operations, and extending its strong customer-value driven DNA to the software product delivery business. HCL expects its core values in client focus, passion for innovation, and ambition to invest and grow to enable the business to thrive.

Client Value

- HCL brings a services company mindset to customer relationships - delivering skills, professional services, and the focus needed to help customers succeed. HCL engages customers in roadmap discussions, and provide end-to-end solutions by looking beyond the product.

Speed

- HCL aims to be intensely customer and market focused, stay one step ahead of new market trends, and embrace agile methods to accelerate roadmaps and bring new features to its customers more rapidly. Customers can expect an increase in velocity in response to evolving market requirements.

Practical Innovation

- HCL is focused on innovating, not just chasing the latest trends. HCL believes in real innovation that solves customer problems - from big innovations like inventing a new way of approaching a problem to small innovations that create real value (e.g., simplifying the installed process).

Insights

- HCL is the user of its own products and in general have hundreds, and in some cases, thousands of skilled practitioners using these tools to solve customer problems - providing insights into what the market requires and how to enhance the products.

Product lines:

- **Change and Configuration Management:** Collaboration and configuration across the development lifecycle. Products deliver comprehensive configuration management capabilities for today's demanding software environments. These bundles provide access to Clear Case and Clear Quest configuration management tools and capabilities necessary for optimum global distributed development and integrated change management.

- **Data Management:** Data storage and transformation for high-volume, complex transactions and analytics. Products enable organizations to integrate industry-based customer, supplier and business partner transactions across the enterprise. It helps automate complex transformation and validation of data between a range of different formats and standards. Products also include a secure embeddable database, optimized for OLTP, IoT and is forging new frontiers with its unique ability to seamlessly integrate SQL, NoSQL / JSON, time series and spatial data. Reliability, flexibility, ease of use, and low total cost of ownership makes Informix the best in class enterprise database available in the market.

- **Modeling and Construction:** Manage complexity and meet demands at each level of the enterprise architecture.

Products accelerate the development, quality assurance, and deployment of Java, Java EE, Web 2.0, mobile, portal and service-oriented architecture (SOA) applications for distributed platforms. Both expert and novice developers can increase productivity and efficiency by using its many integrated capabilities for easier development, testing, analysis and delivery of applications.

- **Security:** Security testing throughout the application lifecycle. Products enhance web application security and mobile application security, improve application security program management and strengthen regulatory compliance. By scanning your web and mobile applications prior to deployment, these products enable you to identify security vulnerabilities and generate reports and offer recommendations.

- **Terminal Emulation and Transformation:** Extend mission critical applications to end users with a dynamic user interface. Products enable applications to the web, mobile, portal, rich client, or as standard SOAP or RESTful web services without touching the existing application. No rewriting, refactoring, or access to application source code is required. These products can reduce training costs, increase end user productivity and satisfaction, and enable re-use of proven business logic in new applications.

- **Testing:** Accelerate delivery and enhance quality of complex IT systems. These products provide automated testing capabilities for functional, regression, GUI, and data-driven testing. Rational Function Tester supports a range of applications, such as web-based, .Net, Java, Siebel, SAP, terminal emulator-based applications, PowerBuilder, Ajax, Adobe Flex, Dojo Toolkit, GEF, Adobe PDF documents, zSeries, iSeries, and pSeries.

- **Workload Automation:** Increase productivity, simplify operations and improve business agility with workload automation. These products offer a complete solution for batch and real-time workload management, available for distributed mainframe or hosted in the cloud. These products are used to drive business and IT workloads on hosted servers, with virtually no cost of ownership for central server, increase productivity with powerful plan- and event-driven scheduling, and run and monitor workloads from anywhere. This includes interfaces dedicated to application developers and operators, providing them both autonomy and precise governance.

HUMAN RESOURCE UPDATE

1. **Employee Stregnth and Expansion**
HCL Technologies have crossed the employee strength to 1,15,000+ and successfully delivered an Industry leading revenue per employee. The company has also witnessed new expansion of 8+ delivery centers in geos, including some ongoing new explorations in Eastern Europe and Australia. With the launch of the New Vistas program, the operations have begun in the tier-2 cities of India including Madurai and Lucknow.

In the last financial year, the human resource function aligned its focus to the larger organization strategy of - Mode 1, 2 & 3. With various initiatives, the focus was on creating distinctive experiences & people practices around the theme of digital HR with a persona centric approach. This enhances business value through increasing Passion, Proficiency and Value by enabling our employees to drive Performance, Productivity and Innovation. The company is anchoring its employee's happiness & experience proposition around Persona driven Digital journey for people practices, processes and technology.

2. **Talent Acquisition, Career & Learning Management**
With an impressive gross hiring of 43,530 professionals across the globe, the company deployed "Intelligent Neural network" engine that sifts through the database of million+ candidate records, providing prescriptive insights to hire right talent.

Career Connect 2.0 or Intelligent Career Maps, which is a prescriptive and predictive platform leveraging Artificial intelligence and big data algorithms to provide a personalized digital career concierge service to employees, suggesting career paths, learning maps, mentors & jobs at HCL relevant to the employee's profile:

- At HCL, the value is to power up the intelligence of 100 thousand employees and codify it to predictive analytics insight for the employee.

- The career-connect 2.0 not only helps employees to choose career paths as a prescriptive analytics engine but also suggests shortlisted internal jobs basis their profile, instead of looking from a whole list of jobs available.

- The platform pulls data for the employee through internal systems, profile and feeds it to them giving details about suggested career paths & internal job most suitable for them.

By empowering learning teams to cater right learning modules to employees for cross skilling & training for current & future roles

- Significant percentage of our demand is fulfilled through re-skilling

- This enables us to continue to invest in developing employees for future with future ready skills

3. **Diversity**

At HCL Technologies equality and inclusion matters, with an overall gender diversity rate of **24%** women in workforce, FY17 Gender Diversity Goals have been cascaded to all Lines of Business leaders and action plans created for all Lines of Businesses to address the priorities. HCL's internal day care and gender inclusion initiatives also got featured as the best practice case study by NASSCOM and MERCER**

4. Corporate Social Responsibility

HCL Foundation

Touching Lives. Spreading Smiles

HCL Foundation is the corporate social responsibility arm of HCL Technologies. It is a not-for-profit gold standard that uses international development standards to implement CSR programs that bring lasting impacts to the lives of people across urban and rural areas of India. In achieving our goals, we emphasize: **Credibility | Transparency | Accountability | Outreach to the unreached and Sustainability**.

Goal, Vision and Mission

Goal: To alleviate poverty and achieve inclusive community growth and development. We do this by engaging the communities where we work to ensure that we make optimal long-term investments in education, health, livelihoods and environment, as well as providing disaster response and rehabilitation support.

Vision: To create a source code for sustainable socio-economic development

Mission: To create clean, green and healthy communities where everyone is empowered and equipped to reach their full potential. Full engagement with our employees and partners showcasing and establishing international standards of planning, implementation, monitoring and evaluation in community development.

With the relentless support of HCL employees and its partners, HCL Foundation is active in Delhi NCR, Karnataka, Maharashtra, Tamil Nadu, Telangana, Uttar Pradesh and West Bengal, in India. HCL's employees also engage globally in CSR in US, UK and Europe. HCL Foundation works in rural and urban areas towards poverty alleviation through long term investments in holistic education, employability, environment, health, water, sanitation and hygiene, and disaster response. Gender transformative and inclusive approaches form the backbone of the overall program strategy. There is a heavy focus on young people as they form majority of the world's population. However, HCL Foundation does not limit its interventions to this age group alone, rather, works through an integrated community development approach.

Inclusion, gender equality, child protection and citizenship are our core programmatic values. Proof of evidence, scalability, engagement, authenticity and sustainability drive us.

Engaging HCL Employees in Community Development and Nation Building: Power of One is HCL's powerful employee volunteering and payroll giving program as well as the cornerstone of HCL Foundation's work in urban neighborhoods. Power of One is based on the belief that all we need is just one rupee per day or one British Pound or US Dollar per week and one hour, one day, one month or one year of community service from HCL employees to make a significant difference in society. It is the contribution by each individual at HCL that powers "Power of 1". More than anything it is a platform created by HCL Foundation to further their contribution to nation building as proud HCLites. In FY17, on an average ~30% employees at HCL contributed towards Po1.

Powered by Power of One - Currently over 50,000 students from 100 schools are being covered under **My School** program; 77 scholars and 63 mentors have been selected so far under **My Scholar**, a holistic Career Development Project fully funded by the Rupee 1 that is donated each day by employees, to fulfill the aspirations of talented and meritorious students from weaker economic backgrounds.

Recognition of HCL Culture & Engagement Practices across the world

To reinforce alignment of core beliefs, and actions, HCL Technologies continues to transform its policies, processes and practices. This has further enabled and empowered the employees, a fact that has been well recognized by various industry forums and leading associations.

In FY17, the company's Distinctive People Practices has pillared on the philosophy of Ideapreneurship. These ideologies of differentiated Talent attracting strategies and the experience delivered has contributed to rank amongst top 100 for "Most attractive employer" by Universum.

HCL is an organization belonging to Gen- Y, reflects the digital Job recruiting initiatives and campaigns such as **Get a Job, was awarded as the"***Most innovative use of HR social media***"** by **HR innovation awards.** Superior learning experience delivered through **Certified HCL Career Program** enables leaders to manage projects effectively through gamified learning to nurture better leaders has been recognized by **Leap vault.**

Career connect has been recognized as Excellence in Practice by **ATD (Association of Talent development)** as it enables crowdsourced career management for its employees through peers, colleagues and its managers to design a disruptive career path. Similarly, workforce practice tools / applications like **Go-Mobile** were recognized as "Best innovative Practice" by **Workforce Optimus awards** as it helps millennial's to access information on a click of button.

Distinctive employee retention delivered through the company's **turnover analytics work & its Predictive data analytics model in US geography** has helped sustain employee turnover in FY 16 & FY 17 in all segments which were under the scope of model recognized as "Best advance in Data analytics" by **Brandon Hall Group**.

5. **Compliance at HCL**
   At HCL, compliance is core to its activities and the company, employs multiple mechanisms including periodic internal / external audits and a constant review of its policies in response to changing political / legal climate in the countries that it operates in. A strong Governance framework driven by a centralised compliance team ensures that the risk of non-compliance is minimized.

Nascomm - Nasscom is the premier organisation that represents and sets the tone for public policy for the Indian software industry.

Mercer is a global consulting leader in talent, health, retirement and investments.

RISKS & CONCERNS

1. **Regulatory Compliance Risk**

   Risk
   As HCL is operating in a number of countries and is continuously adding new geographies, there is an increased risk of non-compliance with regulatory requirements that are relevant to its business.

   HCL Strategy
   HCL has put in place a comprehensive 'global regulatory compliance framework' to track regulatory compliances globally and has defined owners for various compliance related activities relevant to each function within HCL. Detailed checklists are available with respective process owners to ensure compliance, wherever needed. In addition to this, quarterly compliance certificates are presented to the Board of Directors by respective functions responsible for such compliances, which are periodically audited by the internal audit team and by external law firms. The global compliance function helps in creating awareness around the regulatory framework and helps each team focus on various local compliance - related aspects being faced by business entities in respective countries.

   In addition, HCL has established a comprehensive 'Risk & Compliance organization' that provides global analysis, assessment, policy, and governance for risks related to information security, privacy, business continuity, third party engagements and operational activities. HCL's compliance program is not only designed to avoid violation of laws and regulations, but also to protect the Company's reputation, employees, and customers. Program effectiveness is periodically audited by the legal team and also reviewed / audited by internal audit and reported to the audit committee.

2. **Business Continuity risk**

   Risk
   HCL is in the business of developing, maintaining, and operating mission-critical business and IT applications and infrastructure for various global customers in multiple industries. Due to the increase in natural calamities, man-made disruptions and geo-political events, business continuity has re-joined the ranks of top business risks and may impact the health and safety of its employees, reputation and revenue loss. HCL needs to continuously adapt and evolve its continuity planning and make it more sustainable by linking it to operational resiliency.

   HCL Strategy
   HCL has revamped its Business Continuity Management (BCM) framework to ensure that it meets the continuity and recovery requirements for employees, assets and business in the event of a disruption. The HCL BCM framework encompasses emergency response, crisis management, disaster recovery and business continuity through a crisis, including aftermath. In the last fiscal year HCL has conducted BCM risk assessments for key clients and delivery locations and actively working to remediate identified risks. In addition, HCL has refreshed Crisis Management Protocol and Crisis Response Plans and is also in the process of augmenting the Business Continuity Plans for core enabling functions.

3. **Information and Cyber Security Risk**

   Risk
   As cyber security risks continue to increase, becoming more severe and widespread, globalized risk of compromise to confidentiality, integrity, and availability of HCL corporate and client data presents a risk to the success and sustenance of HCL.

   HCL Strategy
   HCL has revamped our information security priorities

with an emphasis on protecting HCL and its client data. HCL has reviewed our defense in depth strategy to strengthen controls to protect against data loss and continued availability of business. In addition, the incident management process has been revisited to enhance response plans, to promote better response coordination and to shorten incident response time.

4. Privacy Risk

Risk

The collection, use, and transfer of personal data globally by HCL coupled with the dynamic and stringent regulatory landscape presents an increased risk of non-compliance with privacy and data protection law as well as damage to brand reputation and relationships between HCL and its customers. In addition, when the European General Data Protection Regulation (GDPR) takes effect in May of 2018, it will require a much more robust privacy and data protection program to enable HCL to demonstrate compliance to our clients and regulators.

HCL Strategy

HCL is creating an enterprise wide Privacy & Data Protection Framework which includes governance, policies, privacy impact assessments, training, privacy by design, data mapping, third party oversight, incident management, and awareness. The implementation of this framework is divided into a five phase strategy: Assess, Design, Implement, Monitor, and Certify. This approach will ensure the continued development of the Framework to meet new international regulatory challenges and evolving customer expectations, most notably GDPR. The final outcome will be a modular, risk based approach, and layered privacy framework. The Privacy & Data Protection Office has put policies in place addressing privacy from both a client and corporate perspective, as well as policies addressing HIPAA compliance and data classification.

5. HR Related Risk

Risk

As HCL continues on its growth journey, one of the key areas of focus is Talent availability and readiness of our Leadership to execute and lead the Organization strategy. The presence of the right competencies and skills across levels will continue to play a key role in defining the success trajectory of the organization. It's the people who bring the strategy to life, a reality that HCL is deeply cognizant of.

HCL Strategy

HCL is focused on building a robust training framework to cater to the development needs of employees across leadership level. This includes professional, functional, technical and leadership development interventions.

To ensure business continuity and to focus on driving the organization strategy, the leadership bench strength has to be maintained at all times. Talent Management in partnership with Business and HR leaders carries out a half yearly activity to assess the current Criticality, Capability and Risk index of the senior leaders. This becomes the cornerstone for determining and implementing the succession planning approach for maintaining a healthy leadership pipeline.

HCL has defined a five step process which articulates the succession planning approach i.e. assessment of the key positions basis the organization's operational activities and strategic imperatives, identification of Critical to Success capabilities for each key position, objective assessment to identify current capability metrics for the potential successors, a structured development journey of identified successors, positioning for growth based on their demonstrated ability to take on senior / enlarged roles.

6. Technology Related Risks

Risk

HCL operates in an ever evolving and dynamic technology environment and therefore, it becomes important for the Company to continuously review and upgrade its technology, resources and processes to mitigate technology obsolescence.

HCL Strategy

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

HCL leadership ensures that the delivery teams of various Lines of Business (LoB) sustain industrialization of processes, frameworks, tools and upgrades technical training, in addition to synergising transformational initiatives across the organization.

- The Delivery / Quality Assurance (QA) teams drive definition and implementation of new practices and frameworks for efficient and effective delivery of products and services. The Delivery Assurance function also ensures that the above are implemented consistently, in addition to reviewing the risks, and suggests appropriate mechanisms to address the same.
- HCL has structured Centers of Excellence (CoE) to conduct research and define methods, processes and tools.
- The Quality team drives continuous process improvements aligning with mature and evolving international process standards and certifications.

- The Tools team identifies appropriate tools, develops new tools and supports the tools deployed and also provides consulting and tools - related training to project teams.
- HCL designated teams, through New Business process, evaluate the technology and other risks related to new opportunities and recommends appropriate mechanisms to mitigate them on a regular basis.
- The Talent Development Group supports the Technical Training team (called TechCEED) which focuses on Competency Enhancement to continually upgrade the technical competency of the delivery teams and manages the Learning Management System.

In addition to the in-house training and development initiatives, the Company keeps itself abreast and updated on the contemporary developments in the technology landscape through participation in key technology forums and conferences.

This construct ensures a consistent and sustained focus on improving quality, agility, reduced human error, efficiency, productivity and predictability of delivery governed by core principles like - standardization, lean process, tools, automating and orchestrating manual touch points, applying machine intelligence to provide deeper insights in to operations, creating a pool of skilled people, knowledge management and continuous improvement.

7. <u>**Competition Related Risks**</u>

Risk

The focus of traditional IT services is moving towards business outcomes and digital-business enablement. As companies recognize the critical role of technology as an enabler of business, the risk of expansion of global in-house IT centers as well as new entrants in the market increases. Providers with new technologies such as digital, mobility, analytics as well as business consulting capabilities, are further adding to the competition. This is making it necessary for IT service providers to continuously innovate and adapt to the changing buying behavior of their customers.

HCL Strategy

HCL helps global enterprises re-imagine and transform their businesses through Digital technology transformation. 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 services such as Digital and Analytics Services (BEYONDigital™), IoT WorKS™, Cloud and Security, utilizing DRYiCE™ Orchestration 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. With professionals from diverse nationalities, HCL focuses on creating real value for customers by taking 'Relationships Beyond the Contract'.

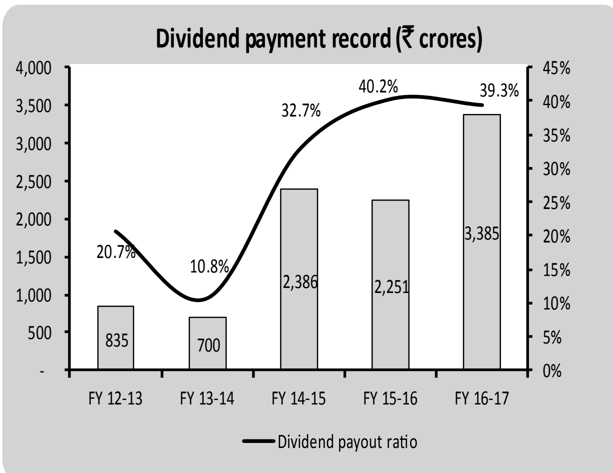
PERFORMANCE TREND

HCL Technologies Limited (HCL) is a leading Company in the IT / ITES space, offering a full array of services to its customers. HCL is a leading provider of innovative customer specific solutions, backed by best-in-class processes.

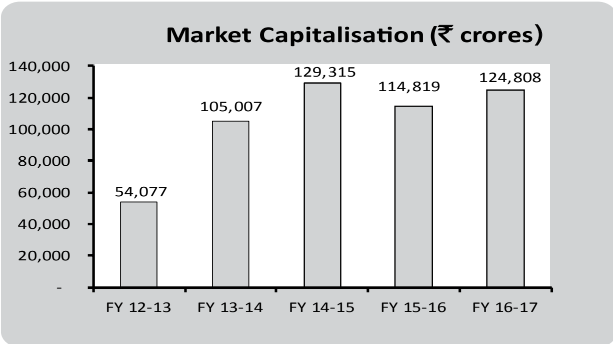
In its journey of business success and excellence, HCL has created significant wealth for all its stakeholders.

Value Addition

Dividend (excluding dividend distribution tax) and the payout ratio computed on consolidated profits have remained high. The amount of dividend (in absolute terms) has increased 4 times in the last five years. In fiscal 2017, the dividend payout ratio (excluding dividend distribution tax) was 39.3%.

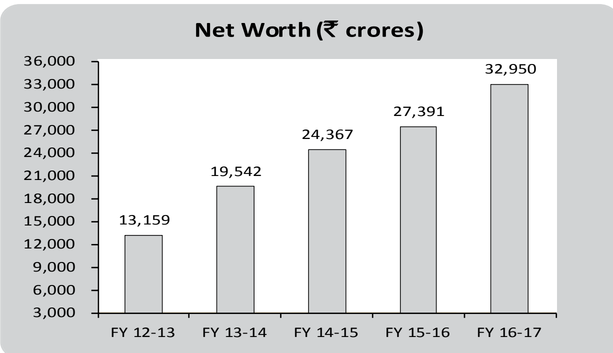


Market capitalization has increased from ₹ 54,077 crores in fiscal 2013 to ₹ 124,808 crores in fiscal 2017.

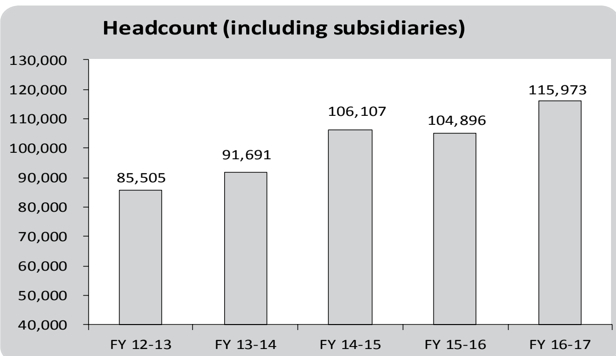


*Market Capitalization based on market rate as on last date of the respective financial year.

The net worth of the Company has increased 2.5 times in last 5 years. In fiscal 2017, the Net worth of the Company stood at ₹ 32,950 crores.



Headcount (including subsidiaries) has expanded from 85,505 in fiscal 2013 to 115,973 in fiscal 2017.



FINANCIAL PERFORMANCE

The financial results of HCL under Indian Accounting Standard (Ind AS) are discussed below in two parts**:-**

- Consolidated results of HCL which include the performance of its subsidiaries. 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 which excludes the performance of its subsidiaries.

Adoption of Indian Accounting Standards (Ind AS)

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 recognized accounting practices and policies to the extent applicable. The Company has adopted Ind AS with transition date of 1 July, 2015.

Comparatives

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 ended 31 March 2016 is for nine months period, financial results of previous year are not comparable with those of current year.

<u>Consolidated results</u>

This part of the Management Discussion and Analysis refers to the consolidated financial statements of HCL (“the Company” or “the Parent Company”) and its subsidiaries referred to as “the Group”. The discussion should be read in conjunction with the financial statements and related notes to the consolidated accounts of HCL for the year ended 31 March 2017.

Results of Operations (Consolidated):

(₹ in crores)

Particulars	Year Ended			
	31 March 2017		31 March 2016	
	(Twelve Months)		(Nine Months)	
	Amount	% Revenue	Amount	% Revenue
Revenue from operations	47,568	100.0%	31,136	100.0%
Total revenues from operations	**47,568**	**100.0%**	**31,136**	**100.0%**
Purchase of stock-in-trade	826	1.7%	813	2.6%
Changes in inventories of stock-in-trade	(11)	0.0%	(109)	-0.3%
Employee benefit expense	22,866	48.1%	15,203	48.8%
Outsourcing costs	8,665	18.2%	5,014	16.1%
Other expenses	4,837	10.2%	3,561	11.4%
Depreciation and amortisation expense	828	1.7%	410	1.3%
Total Expenditure	**38,011**	**79.9%**	**24,892**	**79.9%**
Profit before finance cost, other income & tax	**9,557**	**20.1%**	**6,244**	**20.1%**
Finance costs	89	0.2%	74	0.2%
Other income	1,073	2.3%	866	2.8%
Profit before tax	**10,541**	**22.2%**	**7,036**	**22.6%**
Provision for tax	1,937	4.1%	1,439	4.6%
Share of profit of associates	2	0.0%	4	0.0%
Non-controlling interest	-	0.0%	1	0.0%
Profit for the year	**8,606**	**18.1%**	**5,602**	**18.0%**

Revenues:-

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

Segment wise details are given below:

(₹ in crores)

Particulars	Year Ended			
	31 March 2017		31 March 2016	
	(Twelve Months)		(Nine Months)	
	Amount	% of total	Amount	% of total
Software Services	27,139	57.0%	18,390	59.1%
Infrastructure Services	18,543	39.0%	11,085	35.6%
Business Process Outsourcing Services	1,886	4.0%	1,661	5.3%
Total Revenue	**47,568**	**100.0%**	**31,136**	**100.0%**

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)

Geographical Mix	Year Ended			
	31 March 2017		31 March 2016	
	(Twelve Months)		(Nine Months)	
	Amount	% of total	Amount	% of total
US	27,372	57.6%	18,261	58.7%
Europe	12,708	26.7%	8,225	26.4%
India	1,994	4.2%	944	3.0%
Rest of the world	5,494	11.5%	3,706	11.9%
Total Service Revenue	**47,568**	**100.0%**	**31,136**	**100.0%**

Employee benefits expense:-

(₹ in crores)

Particulars	Year Ended			
	31 March 2017 (Twelve Months)		31 March 2016 (Nine Months)	
	Amount	% Revenue	Amount	% Revenue
Salaries, wages and bonus	19,823	41.7%	13,299	42.7%
Contribution to provident fund and other employee benefits	2,916	6.1%	1,837	5.9%
Staff welfare expenses	127	0.3%	61	0.2%
Employee stock compensation expense	-	0.0%	6	0.0%
Total	**22,866**	**48.1%**	**15,203**	**48.8%**

Employee benefits expense as a % of revenue has decreased to 48.1% compared to 48.8% previous year. The employee cost in absolute terms has increased primarily on account of increase in number of employees and an increase in the average cost per employee due to normal salary revisions.

Other expenses:-

(₹ in crores)

Particulars	Year Ended			
	31 March 2017 (Twelve Months)		31 March 2016 (Nine Months)	
	Amount	% Revenue	Amount	% Revenue
Rent	510	1.1%	303	1.0%
Power & Fuel	307	0.6%	211	0.7%
Travel and conveyance	1,630	3.4%	1,254	4.0%
Communication costs	310	0.7%	237	0.8%
Outsourcing costs	8,665	18.2%	5,014	16.1%
Recruitment Training & Development	174	0.4%	138	0.4%
Repairs and maintenance	361	0.8%	269	0.9%
Software license fee	258	0.5%	170	0.5%
Others	1,287	2.7%	979	3.1%
Total	**13,502**	**28.4%**	**8,575**	**27.5%**

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

Other expenses (as referred in above table) as a % of revenue have increased to 28.4% compared to 27.5% previous year to meet the customers demand of higher value added services and hiring of high cost technical experts.

Other Income:-

The details of Other Income are as follows:

(₹ in crores)

Other Income	Year Ended	
	31 March 2017 (Twelve Months)	31 March 2016 (Nine Months)
Interest Income	800	654
Income on investments	55	23
Exchange Differences	195	35
Profit on sale of property, plant and equipments	-	146
Others	23	8
Total	**1,073**	**866**

Profit on sale of property, plant and equipments of ₹ 146 crores during the previous year includes gain of ₹ 143 crores on sale of certain properties at a gross consideration of ₹ 180 crores.

Exchange differences

The Group derives over 96% of its revenues in foreign currencies and over 72% of its costs are incurred in foreign currencies. This exposes the Group to risks of adverse variations 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 March 31,2017	66.99	88.30	73.03	50.37
For the Year Ended March 31,2016	66.31	98.97	73.16	47.90
Depreciation / (appreciation) (%)	1.0%	-10.8%	-0.2%	5.2%

Period Ended	USD	GBP	EURO	AUD
As at March 31,2017	64.88	80.85	69.32	49.59
As at March 31,2016	66.27	95.53	75.36	51.00
Depreciation / (appreciation) (%)	-2.1%	-15.4%	-8.0%	-2.8%

The Group uses foreign exchange forward contracts and options to mitigate the risk of movements in foreign exchange rates associated with receivables and forecast transactions in certain foreign currencies. During the current fiscal year, the Group had an exchange gain of ₹ 195 crores (previous year ₹ 35 crores). These exchange differences are on account of restatement of foreign currency assets and liabilities, mark to market impact of unhedged forward covers / options and exchange gain (loss) incurred on forward covers / options on occurrence of hedge transactions for which cash flow hedge accounting is being followed.

The Group follows cash flow hedge accounting in respect of forward covers and options to hedge the foreign exchange risks related to the forecast revenues. Exchange gain (loss) arising on such forward covers, where a hedged transaction has occurred during the year, has been included under 'exchange difference' and changes in the fair value of derivatives (net of tax), that are designated and effective as hedges of future cash flows as on the balance sheet date, are recognized directly in the hedging reserve account under 'Shareholders Funds'.The total unrealized exchange gain (net of tax) recognized in the hedging reserve account as at 31March, 2017 is ₹ 445 crores (previous year ₹ 8 crores).

Taxation

Tax expense as a percentage of profit before tax has decreased from 20.5% in the previous year to 18.4% in fiscal 2017. Reduction in tax expense percentage is on account of reversal of tax provisions carried in certain foreign jurisdiction on finalization of review by tax authorities.

FINANCIAL POSITION

Shareholder's Fund:-

The Company has an authorized share capital of ₹ 300 crores, divided into1,500,000,000 equity shares of ₹ 2 each.

During the year, employees exercised their options for 838,680 equity shares under the employee's stock option plans 2004. The company issued 15,563,430 equity shares to the erstwhile shareholders of Geometric Limited on account of acquisition of business of Geometric Limited.

This has resulted in increase in share capital and securities premium by ₹ 3 crores and ₹ 1,264 crores respectively.

The Consolidated Shareholder's Fund of the Group stood at ₹ 33,122 crores as at 31 March 2017 (previous year ₹ 27,601 crores).

The Board of Directors of the Company, in its meeting held on March 20, 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.

Borrowings:-

The Group had outstanding borrowings of ₹ 589 crores as at 31 March 2017 (previous year ₹ 1,090 crores). During the current year, the subsidiary in Sweden has made a partial prepayment of long term loan by ₹ 189 crores. Also, the group has repaid short term bank overdraft of ₹ 144 crores.

Property, plant and equipment, goodwill and intangibles:-

The Group has capitalized ₹ 5,596 crores (other than acquisitions) to gross block of property, plant & equipment, goodwill and intangibles during fiscal 2017, which mainly comprises Licensed IPRs, computers, plant and equipment's and investment in facilities.

During the year ₹ 1,488 crores has been capitalized (previous year ₹ 1,327 crores) on account of acquisitions, which mainly comprises goodwill of ₹ 1,148 crores and intangibles of ₹ 289 crores.

Capital work-in-progress stood at ₹ 448 crores (previous year ₹ 611 crores).

Treasury Investments:-

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

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

Breakup of treasury investments is given below:-

(₹ in crores)

Particulars	2017	2016
Mutual Funds	1,146	536
Fixed Deposits with Banks	7,723	8,602
Deposits with HDFC Limited.	2,500	1,985
Total	**11369**	**11,123**

Current and non-current Liabilities:

Current and non-current liabilities, excluding borrowings, increased by ₹ 1,415 crores (₹ 10,787 crores in fiscal 2016 to ₹ 12,202 crores in fiscal 2017); the increase is mainly on account of increase in capital accounts payable by ₹ 1,478 crores towards software license assets capitalized in books.

Current and non-current Assets:-

Current assets, excluding property, plant & equipment, intangible assets, and treasury assets increased by ₹ 239 crores (₹ 17,157 crores in fiscal 2016 to ₹ 17,397 crores in fiscal 2017); the increase is mainly on account of increase in trade receivables by ₹ 580 crores.

CASH FLOWS

A summary of the cash flow statement is given below:

(₹ in crores)

	31 March 2017 (Twelve Months)	31 March 2016 (Nine Months)
Cash and cash equivalents at the beginning of the year	733	1,356
Net cash generated from operating activities	8,995	3,823
Net cash used in investing activities	(3,817)	(2,189)
Cash flows used in financing activities	(4,533)	(2,237)
Effect of exchange differences on cash and cash equivalents held in foreign currency	(57)	(20)
Cash and cash equivalents at the end of the year	1,321	733

Cash flow from operations

(₹ in crores)

	31 March 2017 (Twelve Months)	31 March 2016 (Nine Months)
Operating profit before working capital changes	10,681	6,735
Effect of working capital changes	321	(1,503)
Cash generated from operations	**11,002**	**5,232**
Tax payments made	(2,007)	(1,409)
Net cash generated from operating activities	**8,995**	**3,823**

Cash flow from investing activities

(₹ in crores)

	31 March 2017 (Twelve Months)	31 March 2016 (Nine Months)
Purchase of Licensed IPRs	(2,644)	-
Purchase of property, plant and equipment and intangibles, including capital work in progress and capital advances, net	(1,168)	(748)
(Purchase) / sale of investments	(982)	(540)
Payments for business acquisitions, net of cash acquired	(488)	(1,183)
Redemption / maturity of bank deposits (net) having maturity over three months	880	(125)
Interest and dividend income	854	645
Taxes paid	(265)	(220)
Others	(4)	(18)
Net cash used in investing activities	**(3,817)**	**(2,189)**

In fiscal 2017 the Group used ₹ 3,817 crores for investing activities (₹ 2,189 crores in fiscal 2016). The significant items of investing activities were:-

- The Group used ₹ 3,812 crores for purchase of property, plant and equipment and intangible assets, including ₹ 2,644 crores for Licensed IPRs in fiscal 2017 (₹ 748 crores in fiscal 2016).
- During the current fiscal, the Group has made acquisition of Butler America Aerospace, LLC a provider of engineering, design services and after market engineering services to US Aerospace and Defense customers. The Group has made payment of ₹ 542 crores (net of cash acquired) as purchase consideration for the acquisition (for details refer note no 2 to consolidated financial statements).
- Fixed deposits with banks (net) of ₹ 880 crores have been matured in fiscal 2017 (invested ₹ 125 crores in fiscal 2016).
- Interest on deposits and dividends on investment in mutual funds received in fiscal 2017 of ₹ 854 crores (₹ 645 crores in fiscal 2016).

Cash flow from financing activities

(₹ in crores)

	31 March 2017 (Twelve Months)	31 March 2016 (Nine Months)
Proceeds from issue of share capital	-	1
Repayment of entrusted loan	(17)	-
Dividend paid (including taxes)	(4,068)	(2,697)
Repayment of borrowings (net)	(396)	481
Interest paid	(18)	(8)
Payments for deferred consideration on business acquisitions	(33)	-
Principal payment for finance lease obligations	(1)	(14)
Net cash used in financing activities	**(4,533)**	**(2,237)**

In fiscal 2017 the Group used ₹ 4,533 crores in financing activities (₹ 2,237crores in fiscal 2016). The significant items of financing activities are:-

- Payment of dividends including taxes of ₹ 4,068 crores (₹ 2,697 crores in fiscal 2016).
- Net Decrease due to repayment of borrowing is mainly due to payment of an unsecured long term loan.

Standalone results

Standalone results of HCL excludes the performance of its subsidiaries.

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 31 March 2017.

Results of Operations (Standalone)

(₹ in crores)

Particulars	Year Ended			
	31 March 2017 (Twelve Months)		31 March 2016 (Nine Months)	
	Amount	% Revenue	Amount	% Revenue
Revenue from operations	19,318	100.0%	13,435	**100.0%**
Total revenues from operations	**19,318**	**100.0%**	**13,435**	**100.0%**
Purchase of stock-in-trade	123	0.6%	163	1.2%
Changes in inventories of stock-in-trade	39	0.2%	(47)	-0.3%
Employee benefit expense	6,843	35.4%	4,867	36.2%
Outsourcing costs	2,219	11.5%	1,644	12.2%
Other expenses	2,238	11.6%	1,672	12.4%
Depreciation and amortisation expense	479	2.5%	277	2.1%
Total Expenditure	**11,941**	**61.8%**	**8,576**	**63.8%**
Profit before finance cost, other income & tax	**7,377**	**38.2%**	**4,859**	**36.2%**
Finance costs	56	0.3%	46	0.3%
Other income	955	4.9%	968	7.2%
Profit before tax	**8,276**	**42.8%**	**5,781**	**43.0%**
Provision for tax	1,403	7.3%	1,062	7.9%
Profit for the year	**6,873**	**35.6%**	**4,719**	**35.1%**

FISCAL 2017 COMPARED TO FISCAL 2016

Employee benefits expense:-

(₹ in crores)

Particulars	Year Ended			
	31 March 2017		31 March 2016	
	(Twelve Months)		(Nine Months)	
	Amount	% Revenue	Amount	% Revenue
Salaries, wages and bonus	6,545	33.8%	4,656	34.6%
Contribution to provident and other funds	245	1.3%	170	1.3%
Staff welfare expenses	53	0.3%	35	0.3%
Share based payments to employees	-	0.0%	6	0.0%
Total	**6,843**	**35.4%**	**4,867**	**36.2%**

Employee benefits expenseas a % of revenue has decreased to 35.4% compared to 36.2% previous year. The employee cost in absolute terms has increased primarily on account of increase in number of employees and an increase in the average cost per employee due to normal salary revisions.

Other expenses:-

(₹ in crores)

Particulars	Year Ended			
	31 March 2017 (Twelve Months)		31 March 2016 (Nine Months)	
	Amount	% Revenue	Amount	% Revenue
Rent	217	1.1%	119	0.9%
Power & Fuel	234	1.2%	167	1.2%
Travel and conveyance	740	3.8%	621	4.6%
Outsourcing Cost	2,219	11.5%	1,644	12.3%
Communication costs	131	0.7%	95	0.7%
Software license fee	224	1.2%	156	1.2%
Repairs and maintenance	262	1.4%	202	1.5%
Others	430	2.2%	312	2.3%
Total	**4,457**	**23.1%**	**3,316**	24.7%

Other expenses as a % of revenue have decreased to 23.1% compared to 24.7% previous year.

Other Income

The details of other income are as follows:-

(₹ in crores)

Other Income	Year Ended	
	31 March 2017 (Twelve Months)	31 March 2016 (Nine Months)
Interest Income	787	646
Dividend from Subsidiaries	26	62
Income on investments	46	18
Profit on sale of property, plant and equipments	2	140
Exchange Differences	57	97
Others	37	5
Total	**955**	**968**

Profit on sale of property, plant and equipment (net) of ₹ 140 crores during the previous year includes gain of ₹ 138 crores on sale of certain properties at a gross consideration of ₹ 175 crores.

Exchange differences

The Company derives almost its entire revenues in foreign currencies while almost all its costs are incurred in INR. This exposes the Company to the risk of adverse variations in foreign currency exchange rates. The Company uses foreign exchange forward contracts and options to mitigate the risk of movements in foreign exchange rates associated with receivables and forecast transactions in certain foreign currencies. During the current fiscal year, the Company had an exchange gain of ₹ 57 crores compared to ₹ 97 crores in the previous year. These exchange differences are on account of restatement of foreign currency assets and liabilities, mark to market impact of unhedged forward covers / options and exchange gain (loss) incurred on forward covers / options on occurrence of hedge transactions for which cash flow hedge accounting is being followed.

The Company follows cash flow hedge accounting in respect of forward covers and options taken to hedge the foreign exchange risks related to the forecast revenues. Exchange gain (loss) arising on such forward covers, where a hedged transaction has occurred during the year, has been included under 'revenue' and changes in the fair value of derivatives (net of tax), that are designated and effective as hedges of future cash flows as on the balance sheet date, are recognized directly in the hedging reserve account under 'shareholders funds'. The total unrealized exchange gain (net of tax) recognized in the hedging reserve account as at 31 March, 2017 is ₹ 445 crores (previous year ₹ 8 crores).

Taxation:-

Tax expense as a % of profit before tax was 17.0% for fiscal 2017 as compared to 18.4% in fiscal 2016. Reduction in tax expense percentage is on account of reversal of tax provisions carried in certain foreign jurisdiction on finalization of review by tax authorities.

FINANCIAL POSITION

Borrowings:-

The Company had outstanding borrowings of ₹ 45 crores as at 31 March 2017 (previous year ₹ 42 crores).

Property, plant and equipment, goodwill and intangibles:-

The Company has capitalized ₹ 5,025 crores (other than acquisitions) to gross block of property, plant & equipment, goodwill and intangibles during fiscal 2017, which mainly comprises Licensed IPRs, computers, plant and equipment's and investment in facilities.

During the year ₹ 757 crores has been capitalized (previous year ₹ 26 crores) on account of acquisitions, which mainly comprises goodwill of ₹ 535 crores, intangibles of ₹ 183 crores, facilities of ₹ 28 crores and other assets ₹ 12 crores.

Capital work - in- progress stood at ₹ 411 crores (previous year ₹ 582 crores).

Treasury Investments:-

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

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

Breakup of treasury investments is given below:-

(₹ in crores)

Particulars	2017	2016
Mutual Funds	914	472
Fixed Deposits with Banks	7,610	8,538
Deposits with HDFC Limited.	2,500	1,985
Total	**11,024**	**10,995**

CASH FLOWS

A summary of the cash flow statement is given below:

(₹ in crores)

	31 March 2017 (Twelve Months)	31 March 2016 (Nine Months)
Cash and cash equivalents at the beginning of the year	125	433
Net cash generated from operating activities	6,995	3,154
Net cash used in investing activities	(2,643)	(771)
Cash flows used in financing activities	(4,112)	(2,699)
Net increase / (decrease) in cash and cash equivalents	240	(316)
Effect of exchange differences on cash and cash equivalents held in foreign currency	(13)	8
Cash and cash equivalents at the end of the year	352	125

Cash flow from operations

(₹ in crores)

	31 March 2017 (Twelve Months)	31 March 2016 (Nine Months)
Operating profit before working capital changes	8,069	5,249
Effect of working capital changes	512	(1,031)
Cash generated from operations	**8,581**	**4,218**
Tax payments made	(1,586)	(1,064)
Net cash generated from operating activities	**6,995**	**3,154**

Cash flow from investing activities

(₹ in crores)

	31 March 2017 (Twelve Months)	31 March 2016 (Nine Months)
Purchase of Licensed IPRs	(2,602)	-
Purchase of property, plant and equipment and intangibles, including capital work in progress and capital advances, net	(698)	(464)
(Purchase) / sale of investments	(808)	(619)
Redemption / maturity of bank deposits (net) having maturity over three months	926	(141)
Interest and dividend income	863	700
Investment in equity instruments of subsidiary	(86)	-
Proceeds from loans extended to group companies	22	-
Payments for business acquisitions, net of cash acquired	3	(29)
Taxes paid	(263)	(218)
Net cash used in investing activities	**(2,643)**	**(771)**

In fiscal 2017 the Company used ₹ 2,643 crores for investing activities (₹ 771 crores in fiscal 2016). The significant items of investing activities:-

- The Company used ₹ 3,300 crores for purchase of property, plant and equipment and intangible assets, including Licensed IPRs for ₹ 2,602 crores during the year (₹ 464 crores in fiscal 2016).
- Fixed deposits with banks (net) of ₹ 926 crores have been realized during the year. However, previous year, Fixed deposit was made for ₹ 141 crores.
- Interest on deposits and dividends from subsidiary company received in fiscal 2017 of ₹ 863 crores (₹ 700 crores in fiscal 2016).

Cash flow from financing activities

(₹ in crores)

	31 March 2017 (Twelve Months)	31 March 2016 (Nine Months)
Proceeds from issue of share capital	-	1
Dividend paid (including taxes)	(4,068)	(2,697)
Repayment of borrowings (net)	(16)	1
Interest paid	(28)	(4)
Net cash used in financing activities	**(4,112)**	**(2,699)**

In fiscal 2017 the Company used ₹ 4,112 crores in financing activities (₹ 2,699 crores in fiscal 2016). The significant items of financing activities are:-

- Payment of dividends including taxes ₹ 4,068 crores (₹ 2,697 crores in fiscal 2016).

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have immense pleasure in presenting the **Twenty Fifth Annual Report** together with the audited financial statements for the financial year ended March 31, 2017.

1. FINANCIAL RESULTS

Key highlights of the financial results of your Company prepared as per Indian Accounting Standards ("Ind AS") for the financial year ended March 31, 2017 are as under:

(₹ in crores)

Particulars	Consolidated		Standalone	
	Year ended		Year ended	
	March 31, 2017 (Twelve months)	March 31, 2016 (Nine months)	March 31, 2017 (Twelve months)	March 31, 2016 (Nine months)
Total Income	**48,640.85**	**32,002.07**	**20,273.64**	**14,403.06**
Total Expenditure	**38,100.20**	**24,966.15**	**11,997.57**	**8,621.51**
Profit before tax	**10,540.65**	**7,035.92**	**8,276.07**	**5,781.55**
Provision for tax	(1,936.28)	(1,439.00)	(1,403.38)	(1,062.47)
Share of profit of associates	2.10	4.76	-	-
Profit for the year	**8,606.47**	**5,601.68**	**6,872.69**	**4,719.08**
Other Comprehensive Income	**(301.49)**	**127.76**	**405.59**	**70.25**
Total Comprehensive Income	**8,304.98**	**5,729.44**	**7,278.28**	**4,789.33**
Total Comprehensive Income attributable to Owners of the Company	**8,343.11**	**5,730.19**	-	-

Note: The Company has adopted Ind AS in accordance with Ind AS 101 for the first time, using July 1, 2015 as the transition date. Accordingly, there are differences in the figures provided for March 31, 2016 in the Annual Report 2016 and in this Annual Report. The detailed explanation in this regard has been provided in the Financial Statements, forming part of this Annual Report.

2. RESULTS OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS

On a standalone basis, the Company achieved revenue of ₹19,318.31 crores in the financial year 2016-17 and the profit for the financial year 2016-17 is ₹ 6,872.69 crores .

On a consolidated basis, the Company achieved revenue of ₹47,567.53 crores in the financial year 2016-17 and the profit for the financial year 2016-17 is ₹ 8,606.47 crores.

The state of affairs of the Company is presented as part of Management Discussion and Analysis Report forming part of this report.

In accordance with the provisions of Companies Act, 2013 ("the Act"), SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, Indian Accounting Standards ("Ind AS") 110 on Consolidated Financial Statements, Ind AS 111 on Joint Arrangements and Ind AS 112 on Disclosure of Interests in Other Entities read with Ind AS 28 on Accounting for Investments in Associates and Joint Ventures, the audited consolidated financial statement is provided in the Annual Report.

The previous financial year of the Company was for a nine months' period from July 1, 2015 to March 31, 2016. The figures for the current financial year are therefore not comparable with those of the previous year.

3. DIVIDEND

During the financial year ended March 31, 2017, your directors had declared and paid four interim dividends as per the details given below:

S. No.	Interim dividend paid during the financial year ended March 31, 2017	Date of Declaration	Rate of dividend per share (face value of ₹ 2 each)	Dividend Amount	Dividend Distribution tax	Total Outflow
				(₹ in crores)		
1	1st Interim Dividend	April 28, 2016	₹ 6	846.34	172.01	1,018.35
2	2nd Interim Dividend	August 3, 2016	₹ 6	846.50	166.72	1,013.22
3	3rd Interim Dividend	October 21, 2016	₹ 6	846.55	171.94	1,018.49
4	4th Interim Dividend	January 24, 2017	₹ 6	846.72	171.95	1,018.67
	Total			**3,386.11**	**682.62**	**4,068.73**

The Board of Directors in its meeting held on May 9-11, 2017 has declared an interim dividend of ₹ 6 per equity share of face value of ₹ 2 each for the year 2017-18. The Directors did not recommend final dividend for the year ended March 31, 2017.

4. TRANSFER TO RESERVES

No amount was transferred to the General Reserve Account for the Financial Year.

5. COMPOSITE SCHEME OF ARRANGEMENT AND AMALGAMATION (“SCHEME”)

In terms of the Composite Scheme of Arrangement and Amalgamation amongst Geometric Limited (“Geometric”), HCL Technologies Limited (“Company”) and 3D PLM Software Solutions Limited and their respective shareholders and creditors (referred to as “the Scheme” or “the Scheme of Arrangement”), as sanctioned by the Hon’ble High Courts of Bombay and Delhi vide their Orders dated December 2, 2016 and January 18, 2017 respectively, the business undertaking of Geometric relating to IT enabled engineering services, Product Lifecycle Management services and engineering design productivity software tools has been demerged from Geometric as a going concern and vested to your Company.

The appointed date of the Scheme was March 31, 2016. The Scheme became effective on March 2, 2017. Pursuant to the Scheme, the Company has issued and allotted 1,55,63,430 equity shares to the shareholders of Geometric, details of which have been provided in point no. 6 to this report.

6. CHANGES IN CAPITAL STRUCTURE

- **Shares allotted under Employees Stock Option Plans**

  During the year, the Company allotted 8,38,680 equity shares of ₹ 2 each fully paid-up under its Employees Stock Option Plans.

- **Shares Allotted pursuant to the Composite Scheme of Arrangement and Amalgamation**

  Pursuant to the Scheme, the Board of Directors of the Company in its meeting held on March 20, 2017, has allotted 1,55,63,430 equity shares of face value ₹ 2/- each, fully paid-up to the equity shareholders of the Geometric. In terms of the Scheme, the shareholders of Geometric have been allotted 10 equity shares of face value of ₹ 2/- of the Company for every 43 equity shares of face value of ₹ 2/- each held by them in Geometric as on the Record date of March 15, 2017.

Issued and Paid-up share capital as on March 31, 2017

As on March 31, 2017, the issued, subscribed and paid-up share capital of the Company was ₹ 285,35,66,848/- divided into 142,67,83,424 equity shares of face value of ₹ 2/- each.

Buyback of Equity Shares

The Board of Directors of the Company in its meeting held on March 20, 2017 approved the proposal for Buyback of upto 3,50,00,000 fully paid-up Equity Shares of ₹ 2/- each of the Company representing upto 2.48 % of the total paid-up Equity Share capital of the Company as on March 31, 2016, at a price of ₹ 1,000 / - (Rupees One Thousand Only) per Equity Share payable in cash for an aggregate amount of up to ₹ 3,500 crores (Rupees Three Thousand Five Hundred Crores Only) excluding any expenses incurred or to be incurred for the Buyback like filing fees payable to the Securities and Exchange Board of India (referred to as SEBI), advisors’ fees, public announcement publication expenses, printing and dispatch expenses, transaction costs viz. brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty, etc., which is 16.39% and 13.62%, of the aggregate of the fully paid-up Equity Share capital and free reserves as per the standalone and consolidated audited accounts of the Company for the financial year ended March 31, 2016 respectively (the last audited Financial Statements availbale as on the date of the Board Meeting approving the Buyback), through the "Tender Offer" route as prescribed under the Buyback Regulations using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular no. CIR / CFD / POLICYCELL / 1 / 2015 dated April 13, 2015 read with circular no. CFD / DCR2 / CIR / P / 2016 / 131 dated December 9, 2016 or such other mechanism as may be applicable, on a proportionate basis, from the equity shareholders / beneficial owners of the Equity Shares of the Company as on the Record Date.

The Buyback is subject to the approval of the shareholders of the Company which is being taken through Postal Ballot. The results of the Postal Ballot will be declared on May 17, 2017.

Post the approval of the shareholders, the approval of SEBI and such other approvals, as may be required will be taken for the said Buyback.

7. DEBENTURES

Your Company has not issued any fresh debentures during the financial year under review.

8. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report, in terms of Regulation 34 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms part of this Annual Report.

9. SUBSIDIARIES / ACQUISITIONS

As on March 31, 2017, the Company has 92 subsidiaries and 9 associate companies within the meaning of Sections 2(87) and 2(6) of the Companies Act, 2013 ("Act") respectively. There has been no material change in the nature of the business of the subsidiaries.

As per the provisions of Section 129(3) of the Act, a statement containing salient features of the financial statements of the Company's subsidiaries (which includes associate companies and joint ventures) in Form AOC-1 forms part of the Annual Report.

As per the provisions of Section 136 of the Act, the standalone financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries, shall be available on the website of the Company. The Company would provide the annual accounts of the subsidiaries and the related detailed information to the shareholders of the Company on specific request made to it in this regard by the shareholders.

During the year, the Company had incorporated the following step down subsidiaries companies :

Sl. No.	Name of Subsidiaries	Country of Incorporation
1.	HCL Technologies Lithuania UAB	Lithuania
2.	HCL Technologies (Taiwan) Ltd.	Taiwan

In addition to the above, pursuant to the Scheme following subsidiaries and branches of Geometric has become the subsidiaries and branches of the Company effective from March 2, 2017:

Sl. No.	Name of Subsidiaries	Country of Incorporation
1.	Geometric Americas, Inc.	USA
2.	Geometric Asia Pacific Pte. Ltd.	Singapore
3.	Geometric Europe GmbH	Germany
4.	Geometric China Inc.	China
5.	Geometric SRL	Romania
6.	Geometric SAS	France

Sl. No.	Name of Branches	Country of Establishment
1.	Geometric Limited - Germany Branch	Germany
2.	Geometric Limited - France Branch	France
3.	Geometric Europe GmbH - UK Branch	United Kingdom
4.	Geometric Europe GmbH - Netherland Branch	Netherland
5.	Geometric Europe GmbH – Sweden Branch	Sweden
6.	Geometric Americas, Inc. - Canada Branch	Canada
7.	Geometric Asia Pacific Pte. Ltd. - Japan Branch	Japan
8.	Geometric Asia Pacific Pte. Ltd. - Korea Branch	Korea
9.	Geometric Asia Pacific Pte. Ltd. - Australia Branch	Australia

During the year under review, the Company, through its step down subsidiary, HCL America Inc., has acquired the Aerospace and Defense Division of Butler America LLC pursuant to which the following entity formed under the laws of the State of Delaware, became the wholly owned subsidiary of HCL America Inc.

Sl. No.	Name of Subsidiary	Country of Incorporation
1.	Butler America Aerospace LLC	USA

During the year under review, following step-down subsidiaries of the Company which were not in operation were voluntarily dissolved:

Sl. No.	Name of Subsidiaries	Effective date of dissolution
1.	HCL Malaysia Sdn. Bhd.	June 27, 2016
2.	HCL BPO Services (NI) Limited	January 24, 2017
3.	HCL Joint Venture Holding Inc.	March 9, 2017

10. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors consists of ten members, of whom three are women Directors. The Board consists of one (1) Whole-time Director and nine (9) non-executive Directors of whom seven (7) are independent Directors. The Whole-time Director is the promoter director who is designated as the Chairman and Chief Strategy Officer of the Company.

Ms. Nishi Vasudeva (DIN - 03016991) was appointed as an additional director by the Board of Directors of the Company w.e.f. August 1, 2016. Subsequently, at the Annual General Meeting of the Company held on September 27, 2016, Ms. Nishi Vasudeva was appointed as an Independent Director of the Company in terms of Section 149 of the Act, to hold office for a period of five years.

Mr. Amal Ganguli (DIN–00013808) who was a Non-Executive, Independent Director of the Company, ceased to be a Director of the Company due to his demise on May 8, 2017.

The Independent Directors have furnished the certificate of independence stating that they meet the criteria of independence as mentioned under Section 149 (6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr. C. Vijayakumar was appointed as the President and Chief Executive Officer of the Company w.e.f. October 20, 2016. Mr. Anant Gupta who held the position of President and Chief Executive Officer, resigned from the Company w.e.f. October 20, 2016.

As per the provisions of Section 152(6) of the Act, Mr. Sudhindar Krishan Khanna (DIN-01529178) shall retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for reappointment as the Director of the Company.

Pursuant to the recommendation of Nomination and Remuneration Committee, the Board of Directors at its meeting held on January 23, 2017 has approved the re-appointment of Mr. Shiv Nadar as Managing Director of the Company under the designation of Chairman and Chief Strategy Officer for a further period of 5 years from February 1, 2017 to January 31, 2022. Such appointment is subject to the approval of the shareholders of the Company.

11. NUMBER OF MEETINGS OF THE BOARD

During the year, six meetings of the Board were held. The details of the meetings are provided in the Corporate Governance Report.

12. FAMILIARIZATION PROGRAMME

The details of familiarization programme have been provided under the Corporate Governance Report.

13. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, an Annual Performance evaluation is to be made by the Board of its own performance and that of the Committees and individual Directors.

In view of the above, the annual performance evaluation was undertaken by the Board. The framework and criteria of evaluation was approved by the Nomination and Remuneration Committee of the Company after considering the Guidance note on Board evaluation issued by SEBI on January 5, 2017. The process and criteria of evaluation is explained in the Corporate Governance Report, which forms part of this Annual Report.

14. AUDITORS

M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, were appointed as the Statutory Auditors of your Company in the AGM held on December 4, 2014 for a term of five years until the conclusion of the Twenty Seventh AGM of the Company to be held in the year 2019. As per the provisions of Section 139 of the Act, the appointment of the Statutory Auditors is required to be ratified by the members at every AGM of the Company. Accordingly, the appointment of M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, as Statutory Auditors of the Company, shall be placed for ratification by the members in the ensuing AGM. In this regard, the Company has received a certificate from the Auditors to the effect that their re-appointment, if made, would be within the limits prescribed under Section 141 of the Act and that they are not disqualified for such reappointment within the meaning of the said Section.

15. AUDITORS' REPORT

There are no qualifications, reservations, disclaimer or adverse remarks made by M/s. S. R. Batliboi & Co. LLP, Statutory Auditors in their report for the financial year ended March 31, 2017. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

16. SECRETARIAL AUDIT REPORT

In terms of Section 204 of the Act, M/s. Chandrasekaran Associates, Practicing Company Secretaries were appointed as the Secretarial Auditor of the Company. The report of the Secretarial Auditor is enclosed as Annexure 1 to this Report. The report is self-explanatory and does not call for any further comments. There are no qualifications, reservations, disclaimer or adverse remarks made by the Secretarial Auditor in their report for the financial year ended March 31, 2017.

17. EXTRACT OF ANNUAL RETURN

Pursuant to Section 134(3)(a) and Section 92(3) of the Act, the extract of the Annual Return in Form MGT-9 is enclosed as Annexure 2 to this Report.

18. DIRECTORS' APPOINTMENT AND REMUNERATION

In accordance with the provisions of Companies Act, 2013, the Nomination and Remuneration Committee formulates the criteria for determining the qualifications, positive attributes and independence of Directors in terms of its charter.

In evaluating the suitability of individual Board members, the Committee takes into account factors, such as educational and professional background, general understanding of the Company's business dynamics, standing in the profession, personal and professional ethics, integrity and values, willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

The Committee also assesses the independence of Directors at the time of appointment / re-appointment as per the criteria prescribed under the provisions of the Companies Act, 2013 and rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Remuneration Policy for Directors, Key Managerial Personnel and other employees are provided in the Corporate Governance Report forming part of this report.

19. AUDIT COMMITTEE

The Audit Committee comprises of four Independent Directors viz. Mr. Keki Mistry, Ms. Robin Ann Abrams, Mr. Subramanian Madhavan and Ms. Nishi Vasudeva.

During the year under review, Ms. Nishi Vasudeva was co-opted as a member of the Committee w.e.f. January 3, 2017. Mr. Keki Mistry was appointed as a Chairman of the Committee in place of Mr. Amal Ganguli, who continued to be the member of the Committee effective from January 23, 2017. However, Mr. Amal Ganguli ceased to be a Director of the Company due to his demise on May 8, 2017.

All the recommendations made by the Audit Committee, during the financial year 2016-17, were accepted by the Board.

20. RISK MANAGEMENT COMMITTEE

The Risk Management Committee comprises of four Independent Directors viz. Mr. Keki Mistry, Ms. Robin Ann Abrams, Mr. Subramanian Madhavan and Ms. Nishi Vasudeva.

During the year under review, Ms. Nishi Vasudeva was co-opted as a member of the Committee w.e.f. January 23, 2017. Mr. Keki Mistry was appointed as a Chairman of the Committee in place of Mr. Amal Ganguli, who continued to be the member of the Committee effective from January 23, 2017. However, Mr. Amal Ganguli ceased to be a Director of the Company due to his demise on May 8, 2017.

All the recommendations made by the Risk Management Committee, during the financial year 2016-17, were accepted by the Board.

21. RISK MANAGEMENT POLICY

The Board of the Company has formed a Risk Management Committee to inter-alia assist the Board in overseeing the responsibilities with regard to the identification, evaluation and mitigation of operational, strategic and external environmental risks. In addition, the Audit Committee is also empowered to oversee the areas of risks and controls.

The Company has developed and implemented a Risk Management Policy that ensures the appropriate management of risks in line with its internal systems and culture.

22. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company's internal financial control systems are commensurate with its size and the nature of its operations. The controls are adequate for ensuring the orderly and efficient conduct of the business and these controls are working effectively. These controls have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, adherence to the Company's policies, safe-guarding of assets from unauthorized use and prevention and detection of frauds and errors.

23. SIGNIFICANT AND MATERIAL ORDERS

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

24. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

25. TRANSACTIONS WITH RELATED PARTIES

None of the transactions with related parties falls under the provisions of Section 188(1) of the Act. Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Annexure 3 in Form AOC-2 and the same forms part of this Report. The Company also has in place a 'Related Party Policy', which is available on the website of the Company at https://www.hcltech.com/investors/governance-policies.

26. CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility (CSR) committee comprises of three members, namely Mr. Shiv Nadar, Ms. Roshni Nadar Malhotra and Mr. Subramanian Madhavan. The Committee is inter alia responsible for formulating and monitoring the CSR Policy of the Company. A brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in Annexure 4 of this Report in the form as prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Policy is available on the website of the Company at https://www.hcltech.com/investors/governance-policies.

27. DIVIDEND DISTRIBUTION POLICY

The Company has formulated and published a Dividend Distribution Policy which provides for the circumstances under which shareholders may / may not expect dividend, the financial parameters, internal and external factors, utilization of retained earnings, parameters with regard to different classes of shares. The provisions of this Policy are in line with Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Policy is available on the website of the Company at https://www.hcltech.com/investors/governance-policies. The details of Dividend Distribution Policy form part of the Corporate Governance Report annexed with this Report.

28. TRANSFER OF UNPAID AND UNCLAIMED AMOUNTS TO IEPF

Pursuant to the provisions of Section 124 of the Act, the dividend amounts which have remained 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 125 of the Act. The details of unpaid / unclaimed dividend that will be transferred to IEPF in subsequent years are given in the Corporate Governance Report. Further, according to the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules"), the shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account created by the IEPF Authority. Accordingly, the Company will transfer the corresponding shares for which the unpaid and unclaimed dividend has been transferred, as per the requirements of the IEPF Rules. The details of such shares are available on the website of the Company at https://www.hcltech.com/investors/iepf-details.

29. DEPOSITS

Your Company has not accepted any deposits from public.

30. CORPORATE GOVERNANCE

The Corporate Governance Report, in terms of Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, along with the Statutory Auditors certificate forms part of this Annual Report.

31. BUSINESS RESPONSIBILITY REPORT

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations") mandates inclusion of Business Responsibility Report ("BRR") as part of Annual Report for top 500 listed companies based on market capitalization. In Compliance with the regulation, the Company has prepared a Business Responsibility Report ("BRR") which describes the initiatives taken by the Company from an environmental, social and governance perspective for the financial year 2016-17 and forms part of this Annual Report.

32. INSIDER TRADING REGULATIONS

Pursuant to the provision under SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated a Code of Conduct to Regulate, Monitor and Report Trading by Insiders ('Insider Trading Code') and a Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information ('Fair Disclosure Code') which are in force. The Fair Disclosure Code is available on the website of the Company https://www.hcltech.com/investors/governance-policies.

33. AWARDS AND RECOGNITIONS

Your Company relentlessly pursues excellence and is delighted to receive phenomenal share of recognitions and awards this year, not only from the media, but also from analysts, governing bodies, academic institutions, partners and even customers. Some of the key honors received during the year include:

- HCL has been recognized for its global Internet of Things (IoT) leadership and strengths by the IoT Solutions World Congress (IoTSWC). At the First IoT Awards organized by the IoTSWC at Barcelona, 'IoT WoRKS™ by HCL' won the 'Best Testbed' award for its industrial IoT Surgical Kit Track and Trace solution.
- HCL's innovative HR Practices and policies continued to be recognized. Universum Global listed HCL in "The World's Most Attractive Employers 2016" Top 100 list and HCL won the LeapVault CLO Gold Award for 'Certified HCL Leader Practice for Best Coaching Program'.
- HCL has been certified as a Top Employer in the UK for the Eleventh Consecutive Year by the Top Employers institute in recognition of its best-in-class employee engagement and people practices.
- HCL continues to be recognized for its innovative HR practices and policies. At the HR Innovation Awards 2016, organized by The Guild and Hindustan Times Mint and presented by Talent Vouch, HCL was awarded for 'GetAJob social media campaign' in the category of 'Most Innovative Use of HR Social Media'. Further, HCL was awarded the Silver Award for Innovation, at the Workforce 26 Annual 2016 Optimas Awards, for harnessing mobile technology to empower employees.
- HCL ranked at 8 position in LinkedIn's 'Top Attractors List' for India. The list is a ranking done by analyzing preferences of over 400 million user-base of LinkedIn, showing where employees want to work. HCL has been recognized for its work culture and employee-led initiatives such as "Inspire" and "Ideapreneurship".
- In continued recognition of its marketing and communications efforts, HCL won two silver awards at 'DMA India Createffect Echo Awards 2016', one for 'Recruiting CIOs through Social Network' under 'Media Effectiveness - Best Use of Digital / Social' category and the other for 'Ideapreneurship Premier League' under 'Business Effectiveness - Information Technology' category.
- HCL has emerged as the fastest growing global IT services brand in the world moving upwards by 122 ranks over the last year, in the 2017 Brand Finance Global 500 report released on February 1st, 2017. HCL's brand value has surged by 38% over the last year. HCL now ranks at number 378th with a brand value of $4,463 million and AA+ brand rating.
- HCL won the 2016 ACEF Gold Awards for 'UnitedByHCL' campaign and 'Ideapreneurship Premier and Champions League'. HCL also won the 'Drivers of Digital Awards 2016'.
- HCL won the ITSMA Diamond Award for 'Building Brand differentiation' at the 2016 Marketing Excellence Awards, for its innovative "GetAJob@HCLTech" campaign, a first ever in its category. As a result of this campaign, HCL became India's most preferred millennial employer, surpassing established brands across ecommerce, telecom, technology and FMCG. Further, at the Drivers of Digital Awards 2016, HCL won the Silver Award for 'Digital Integrated Campaign' under the digital marketing category. At the Third edition of the World Marketing Congress, HCL was awarded at the Content Marketing awards for the 'Website Personalization Program' in the category of 'best use of intelligent content'.
- HCL won the 2016 APEX Awards for Electronic Media (Recruiter's Handbook), Social Media - Special Purpose and Website Content.
- HCL won the '2016 BMA B2 Awards' under various categories for its integrated campaign "UnitedByHCL". The B2 Awards recognize the work that business marketers and agencies do "2" engage with customers, employees, channel partners and government. CTO Straight Talk, HCL's thought leadership community platform, won the 2016 BMA B2 Awards under the category of 'Custom Publishing - Magazine, Print or Electronic'.
- HCL won the ATD '2016 Excellence in Practice' award in the category of career development, for its flagship social career navigation platform "Career Connect".
- HCL has been placed among leaders in the IAOP Global Outsourcing 100TM rankings for 2017, an annual listing of the world's best service providers by the IAOP®. Additionally, HCL achieved the distinction of being 'Super Star of the Global Outsourcing 100®', attributed to exceptional performance and scores achieved in IAOP® evaluation.
- In continued recognition of its best-in-class marketing and communications practices, HCL won the Paul

Writer's 'Marketing Team of the year Award' at the 2017 Marketing Excellence Awards and also got recognized for 'Customer Acquisition' for its official digital transformation partnership with Manchester United. Further, HCL was honored with the Gold Award for 'Website Experience Personalization' in the category of 'Most Innovative Use of Content' at the Internet and Mobile Association of India (IAMAI), 6th India Digital Awards.

34. SUSTAINABILITY

Your Company believes in a better tomorrow and based on this strong belief has embarked on a Sustainability 2020 programme. The Company's continuous focus on improving all aspects of sustainability demonstrates its commitment to a sustainable tomorrow without compromising on the well-being of its employees today. To do this, the Company partners with multiple stakeholders to form an inclusive working group to create policies, processes and other organizational measures. Today, the Sustainability Department runs a multi-layered corporate program to drive the sustainability vision.

The ongoing success of the programme depends on a consistent and sustainable vision, ease and flexibility of implementation and most importantly Employee Engagement. At HCL, sustainability actions are a part of everyday operations. It believes that responsible investments in sustainability will generate long term value for all the stakeholders by improving competitiveness and reducing risk.

Sustainability can be created when we are able to integrate broader societal concerns into business strategy and performance as part of the Company's business model. This common sense of ownership can be realized by incorporating the interests of all those with whom the Company has mutually dependent relationships.

35. ORGANIZATION EFFECTIVENESS

In the last financial year, the human resource function aligned its focus to the strategy of the organization - Mode 1, 2 and 3. Our various initiatives were focused on creating distinctive experiences and people practices around the theme of digital HR with a persona centric approach. This enhances business value through increasing Passion, Proficiency and Value by enabling our employees to drive Performance, Productivity and Innovation. The Company is anchoring its employee happiness and experience proposition around Persona driven Digital journey for people practices, processes and technology.

- *HCL has moved from re-design of process and re-implementation of technology, moved from on premises system to cloud systems, shifted from user-interface to a more digital approach of things, keeping a much more mobile environment.*
- *The transition of making things easier for employee experience at HCL, we over the last few months articulated the mode 3 employee experience architecture, which is aimed at offering employees a distinctive work experience.*
- *We are focusing on digital technology for delivering people services with a persona centric mind-set.*

Talent Acquisition, Career and Learning Management

Intelligent Neural network engine that sifts through over a database of over 5 million candidate records provides prescriptive insights to hire right talent.

- *More than 6% new joinee attrition which is best in industry with over 90% new joinee happiness.*

Career Connect 2.0 or Intelligent Career Maps, which is a prescriptive and predictive platform leveraging big data of employees suggesting career paths, mentors and jobs at HCL relevant to the employee's profile.

- *At HCL, the value is to power up the intelligence of 100 thousand employees and codify it to predictive analytics insight for the employee.*
- *The career-connect 2.0 not only helps employees to choose career paths as a prescriptive analytics engine but also suggests shortlisted internal jobs basis their profile, instead of looking from a whole list of jobs available.*
- *The platform pulls data for the employee through internal systems, profile and feeds it to them giving details about suggested career paths and internal job most suitable for them.*

Empowering learning teams to cater right learning modules to employees for cross skilling and training for current and future roles.

- *Significant percentage of our demand is fulfilled through re-skilling.*
- *This enables us to continue to invest in developing employees for future with future ready skills.*

Recognition of HCL Culture and Engagement Practices across the world.

To reinforce alignment of our beliefs, intentions, promises *and actions, we continue to transform policies, processes and practices to strengthen the capabilities to enable, empower, and engage each one of our employees which has been well recognized by various industry leading associations.*

In FY'17 our Distinctive People Practices pillared on our philosophies of Ideapreneurship. These ideologies of differentiated Talent attracting strategies and our entire experience delivered continue to and ranked among top 100 for "Most attractive employer" by Universum.

HCL is an organization belonging to Gen- Y, this has been reflected via digital Job recruiting initiative / campaign – Get a Job, which was awarded as "*Most innovative use of HR social media*" by HR innovation awards. Superior learning experience delivered through Certified HCL Career Program enables leaders to manage projects effectively through gamified learning to nurture better leaders has been recognized by Leap vault.

Career connect has been recognized as Excellence in Practice by ATD (Association of Talent development) as it enables crowdsourced career management for our employees through their peers, colleagues and managers to design a disruptive career path Similarly workforce practice tools / applications like Go-Mobile recognized as "*Best innovative Practice*" by Workforce Optimus awards as it helps millennial's to access information on a click of button.

Distinctive employee retention delivered through our turnover analytics work and our Predictive data analytics model which helped sustain employee turnover in FY'16 and FY'17 in all segments which were under scope of the model recognized under "*Best advance in Data analytics*" by Brandon Hall Group.

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

Disclosures of particulars as required under Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014 to the extent applicable to your Company, are set out in Annexure 5 to this Report.

37. 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 134(3)(c) of the Act, is annexed as Annexure 6 to this Report.

38. 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 7 to this Report.

39. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

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.

40. PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197(12) of the Act read with Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

a. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year:

Sl. No.	Name of Director	Ratio to median remuneration of employees
Executive Director		
1.	Mr. Shiv Nadar*	177.71
Non-Executive Directors		
2.	Mr. Amal Ganguli**	7.09
3.	Mr. Keki Mistry	7.69
4.	Mr. Ramanathan Srinivasan	12.62
5.	Ms. Robin Ann Abrams	13.82
6.	Ms. Roshni Nadar Malhotra	7.81
7.	Mr. Subramanian Madhavan	9.13
8.	Mr. Sudhindar Krishan Khanna	7.09
9.	Dr. Sosale Shankara Sastry	10.45
10.	Mr. Thomas Sieber	10.45
11.	Ms. Nishi Vasudeva^	-

The remuneration of Non-Executive Directors also includes sitting fees paid during the year.

**The ratio has been calculated after taking into account the remuneration drawn from the Company as well as the subsidiaries.*

***Mr. Amal Ganguli ceased to be a Director of the Company due to his demise on May 8, 2017.*

^Ms. Nishi Vasudeva was appointed as Director during the year. Hence the said information is incomparable and not provided.

b. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year:

The previous financial year of the Company was for the nine months' period from July 1, 2015 to March 31, 2016. Therefore, the figures of the current financial year are not comparable with those of the previous year.

c. **The percentage increase in the median remuneration of employees in the financial year:** 5%.

d. **The number of permanent employees on the rolls of the Company**: There were 81,706 permanent employees on the rolls of the Company. In addition, the Company had 34,267 number of employees on the rolls of its subsidiaries.

e. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

   The average annual increase was 4%. There is 4.2% increase in the managerial remuneration during the year.

f. **Affirmation that the remuneration is as per the remuneration policy of the Company:**

   The Company affirms that the remuneration is as per the remuneration policy of the Company.

41. STATEMENT OF EMPLOYEES PURSUANT TO RULE 5(2) THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

A list containing top ten employees in terms of the remuneration drawn in the financial year 2016-17 and a statement containing the names of the employees employed throughout the financial year and in receipt of remuneration of ₹ 1.02 crores or more and employees employed for part of the year and in receipt of ₹ 8.5 lacs or more per month, pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided as Annexure 8 to this Report.

42. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has formulated and published a Whistle Blower Policy to provide Vigil Mechanism for employees including Directors of the Company to report genuine concerns and to ensure strict compliance with ethical and legal standards across the Company. The provisions of this Policy are in line with the provisions of the Section 177(9) of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and is available on the website of the Company at https://www.hcltech.com/investors/governance-policies. The details of Whistle Blower Policy forms part of the Corporate Governance Report annexed with this Report.

43. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place a Prevention and Redressal of Sexual Harassment at Work Place Policy in line with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has constituted a committee for the redressal of all sexual harassment complaints. These matters are also being reported to the Audit Committee. The details of the Policy and the complaints are given under Corporate Governance Report and Business Responsibility Report respectively.

44. ACKNOWLEDGEMENTS

The Board wishes to place on record its appreciation of the significant contributions 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, Banks and Shareholders for their cooperation and assistance extended to the Company.

For and on behalf of the Board of Directors

Shiv Nadar
Chairman and Chief Strategy Officer

Place: Noida (U.P.), India
Date: May 11, 2017

Annexure - 1 to the Directors' Report

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

The Members,
HCL Technologies Limited
806, Siddharth 96, Nehru Place
New Delhi-110019

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by HCL Technologies Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 55A;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
   - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
   - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
   - (d) The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014;
   - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not Applicable
   - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;
   - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and Not Applicable
   - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(vi) As confirmed and certified by the management specifically applicable to the Company based on their sector / industry are:
   - (a) The Special Economic Zone Act, 2005
   - (b) Policy relating to Software Technology Parks of India and its regulations
   - (c) The Indian Copyright Act, 1957
   - (d) The Patents Act, 1970
   - (e) The Trade Marks Act, 1999
   - (f) The Indian Telegraph Act, 1885
   - (g) The Indian Wireless Telegraphy Act, 1933

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.

(ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance (and at a shorter notice for which necessary approvals obtained), and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period following major events have happened which are deemed to have major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

1. Hon'ble High Court Delhi has withdrawn of Scheme of Arrangement between HCL Comnet Limited and Company vide its order dated 30.08.2016
2. Hon'ble High Court Delhi has approved vide its order dated 18.01.2017 Scheme of Arrangement and Amalgamation amongst Geometric Limited(Demerged Company), HCL Technologies Limited(Transferee Company No.1), 3D PLM Software Solutions Limited(Transferee Company No.2).
3. The Board of Directors has approved Buy Back of 3.5 Crores equity shares of the Company.

Date: 08.05.2017
Place: New Delhi

Chandrasekaran Associates
Company Secretaries

Dr. S. Chandrasekaran
Senior Partner
Membership No. FCS No.: 1644
Certificate of Practice No.: 715

Note: This report is to be read with our letter of even date which is annexed as Annexure- A and form an integral part of this report.

Annexure - A to the Secretarial Audit Report

The Members
HCL Technologies Limited
806, Siddharth
96, Nehru Place
New Delhi-110019

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on the random test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date: 08.05.2017
Place: New Delhi

Chandrasekaran Associates
Company Secretaries

Dr. S. Chandrasekaran
Senior Partner
Membership No. FCS No.:1644
Certificate of Practice No.: 715

HCL

Annexure - 2 to the Directors' Report

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2017

(Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014)

I. REGISTRATION & OTHER DETAILS:

1	CIN	L74140DL1991PLC046369
2	Registration Date	November 12, 1991
3	Name of the Company	HCL Technologies Limited
4	Category / Sub-category of the Company	Public Company Limited by Shares
5	Address of the Registered office & contact details	806, Siddharth, 96, Nehru Place, New Delhi- 110019 Tel.: +91-11-26444812, Fax: +91-11-26436336
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any	Alankit Assignments Limited 205-208, Anarkali Market, Jhandewalan Extension, New Delhi- 110055, India Tel.: +91-11-42541234, 23541234 Fax: +91-11-42541967

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Computer Programming, Consultancy and Related Activities	620	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	HCL Comnet Systems & Services Limited 806, Siddharth, 96, Nehru Place, New Delhi-110019	U74899DL1993PLC056665	Subsidiary	100	2(87)
2	HCL Comnet Limited 806, Siddharth, 96, Nehru Place, New Delhi-110019	U74899DL2001PLC111951	Subsidiary	100	2(87)
3	HCL Global Processing Services Ltd. 806, Siddharth, 96, Nehru Place, New Delhi-110019	U72300DL1995PLC069891	Subsidiary	100	2(87)
4	HCL Eagle Limited 806, Siddharth, 96, Nehru Place, New Delhi-110019	U72200DL2011PLC225052	Subsidiary	92	2(87)
5	HCL Foundation (Company incorporated u/s 8 of the Companies Act, 2013) 806, Siddharth, 96, Nehru Place, New Delhi-110019	U85100DL2014NPL274786	Subsidiary	100	2(87)
6	HCL Bermuda Ltd Canon's Court 22, Victoria Street, Hamilton HM 12, Bermuda	Not Applicable	Subsidiary	100	2(87)

S. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
7	HCL Great Britain Ltd. Axon Centre, Church Road, Egham, Surrey TW20 9QB, UK	-do-	Subsidiary	100	2(87)
8	HCL (Netherlands) BV Prinses Margrietplantseon 50, unit E9.02, 2595BR 's-Gravenhage, Netherland	-do-	Subsidiary	100	2(87)
9	HCL GmbH Frankfurter Strasse 63-69, 65760 Eschborn, Germany	-do-	Subsidiary	100	2(87)
10	HCL Belgium NV Lozenburg 22/3, 1932, Zaventem, Belgium	-do-	Subsidiary	100	2(87)
11	HCL Sweden AB Sveavagen 21, 4 tr, 111 34 Stockholm, Sweden	-do-	Subsidiary	100	2(87)
12	HCL Italy SRL Vimodrone (MI) via Luigi Cadorna n. 73, cap. 20090, Italy	-do-	Subsidiary	100	2(87)
13	HCL Australia Services Pty. Ltd. C/o Mitchell & Partners, Level 7, 10 Barrack Street, Sydney NSW 2000, Australia	-do-	Subsidiary	100	2(87)
14	HCL (New Zealand) Ltd. C/o ilumin Ltd,1st Floor, 79 Taranaki Street, Wellington 6011, New Zealand	-do-	Subsidiary	100	2(87)
15	HCL Hong Kong SAR Ltd. 803A, Allied Kajima Building, No 138 Gloucester Road, Wanchai , Hong Kong	-do-	Subsidiary	100	2(87)
16	HCL Japan Ltd. 19F, NBF Hibiya Building, 1-1-7, Uchisiwal-cho Chiyoda-Ku, Tokyo, Postal Code-100-0011, Japan	-do-	Subsidiary	100	2(87)
17	HCL America Inc. 330, Potrero Ave, Sunnyvale, California 94085, USA	-do-	Subsidiary	100	2(87)
18	HCL Technologies Austria GmbH Gußhausstraße 14 / 5, 1040 Vienna, Austria	-do-	Subsidiary	100	2(87)
19	HCL Singapore Pte. Ltd. 8, Shenton Way, 33-03, AXA Tower, Singapore 068811	-do-	Subsidiary	100	2(87)
20	HCL Technologies Solutions Ltd. No. 6, A.S. Chambers, 80 Feet Road, VI Block, Koramangala, Bangalore, Karnataka- 560095, India	U72900KA1999PLC026077	Subsidiary	100	2(87)
21	HCL Poland sp. z o.o Zabierzów 32-080, Krakowska 280 Street, Poland	Not Applicable	Subsidiary	100	2(87)
22	HCL Technologies (Shanghai) Limited Room 23500, Building 14, 498 Guoshoujing Road, PuDong New Area, 201203, Shanghai, China	-do-	Subsidiary	100	2(87)

S. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
23	HCL EAS Ltd. Axon Centre, Church Road, Egham, Surrey, TW20 9QB, England	-do-	Subsidiary	100	2(87)
24	Axon Group Ltd. Axon Centre, Church Road, Egham, Surrey, TW20 9QB, England	-do-	Subsidiary	100	2(87)
25	HCL Axon Technologies Inc. 199, Bay Street, Suite 4000, Commerce Court West, Toronto, Ontario, M5L 1A9, Canada	-do-	Subsidiary	100	2(87)
26	HCL Technologies Solutions Gmbh Kirchgasse 24 8024 Zurich Switzerland	-do-	Subsidiary	100	2(87)
27	Axon Solutions Pty. Limited Level 18, 100 Pacific Highway, NSW, North Sydney NSW 2060, Australia	-do-	Subsidiary	100	2(87)
28	Axon Solutions Inc. 1, Evertrust Plaza, 5th Floor, Jersey City, NJ 07302	-do-	Subsidiary	100	2(87)
29	Axon Solutions Limited Axon Centre, Church Road, Egham, Surrey, TW20 9QB, England	-do-	Subsidiary	100	2(87)
30	HCL Axon Malaysia Sdn. Bhd. L5E-1B Enterprise 4, Technology Park Malaysia, Lebuhraya Puchong Sungei Besi, Bukit Jalil, 57000 Kuala Lumpur, Malaysia	-do-	Subsidiary	100	2(87)
31	Axon Solutions Singapore Pte. Ltd. 519, Balestier Road , #03 - 01 Le Shantier Singapore 329852	-do-	Subsidiary	100	2(87)
32	Axon Solutions (Shanghai) Co. Ltd. Room 23508-23510, Building 14, 498 Guoshoujing Road, Shanghai, China	-do-	Subsidiary	100	2(87)
33	HCL Axon (Proprietary) Ltd. GMI House, Harlequins Office Park, 164, Totius Street, Groenkloof, Pretoria, 0027, South Africa	-do-	Subsidiary	70	2(87)
34	HCL Expense Management Services Inc. 201, Route 17 North, Rutherford, NJ 07070, USA	-do-	Subsidiary	100	2(87)
35	HCL Insurance BPO Services Limited 2nd Floor, No. 1, Croydon, 12-16, Addiscombe Road, Croydon, U.K.	-do-	Subsidiary	100	2(87)
36	HCL Argentina s.a. 25 de Mayo 489, 3rd Floor, Buenos Aires, Argentina	-do-	Subsidiary	100	2(87)
37	HCL Mexico S. de R.L. Avenida Empresarios 135 PISO 2 Puerta DE Hierro Jalisco 45116, Mexico	-do-	Subsidiary	100	2(87)
38	HCL Technologies Romania s.r.l. Office 2, Room 5, Semi-basement, 15-17 Helesteului street, 1st District, Bucharest, Romania	-do-	Subsidiary	100	2(87)
39	HCL Hungary kft 1132 Budapest,Váci út 20,Hungary	-do-	Subsidiary	100	2(87)

S. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
40	HCL Latin America Holding LLC 1209, Orange Street, Wilmington, Delaware 19808, USA	-do-	Subsidiary	100	2(87)
41	HCL (Brazil) Technologia da informacao Ltda. Rua do Rócio, n.º 220, 04º andar, conjunto n.º 42, edifício Atrium, Vila Olímpia, CEP: 04552-903, Brazil	-do-	Subsidiary	100	2(87)
42	HCL Technologies Denmark Aps Tuborg Boulevard 12, 3, 2900 Hellerup, Denmark	-do-	Subsidiary	100	2(87)
43	HCL Technologies Norway AS Dronning Eufemias Gate 16, 0191 Oslo, Norway	-do-	Subsidiary	100	2(87)
44	PT. HCL Technologies Indonesia GD One Pacific Place, LT 15 SCBD JL, Jend Sudirman KAV 52-53, Senayan, Kebayoran Baru, Jakarta, Selatan , DKI Jakarta 12190, Indonesia	-do-	Subsidiary	100	2(87)
45	HCL Technologies South Africa (Proprietary) Limited GMI House, Harlequins Office Park, 164, Toitus Street, Groenkloof, Pretoria 0027, South Africa	-do-	Subsidiary	70	2(87)
46	HCL Arabia LLC AL Olaya Street, Al Aqariya Plaza, Office NO.203, Riyadh-12244, Kingdom of Saudi Arabia	-do-	Subsidiary	100	2(87)
47	HCL Technologies Philippines, Inc. Net Cube Center, 3rd Avenue Corner, 30th Street, E-Square Zone, Bonifacio Global City, Taguig City, Metro, Manila 1634, Philippines	-do-	Subsidiary	100	2(87)
48	HCL Technologies France SAS 13 / 15, Rue, Taitbout, Paris, France	-do-	Subsidiary	100	2(87)
49	Filial Espanola De HCL Technoloiges S.L. Paseo de la Castellana, 35, 2 Planta 28046 Madrid, Spain	-do-	Subsidiary	100	2(87)
50	Anzospan Investments Pty. Ltd GMI House, Harlequins Office Park, 164, Toitus Street, Groenkloof, Pretoria 0027, South Africa	-do-	Subsidiary	70	2(87)
51	HCL Investments (UK) Ltd. Axon Centre, Church Road, Egham, Surrey, TW20 9QB, England	-do-	Subsidiary	100	2(87)
52	HCL America Solutions Inc. 330, Potrero Ave, Sunnyvale, California 94085, USA	-do-	Subsidiary	100	2(87)
53	HCL Technologies Chile SPA EL Golf 40 Piso, Las Condes, Santigo, CP 755-0107, Chile	-do-	Subsidiary	100	2(87)
54	HCL Technologies UK Ltd. Axon Centre, Church Road, Egham, Surrey, TW20 9QB, England	-do-	Subsidiary	100	2(87)

S. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
55	HCL Technologies B.V. Prinses Margrietplantseon 50, unit E9.02, 2595BR 's-Gravenhage, Netherland	-do-	Subsidiary	100	2(87)
56	HCL Technologies Germany GmbH Frankfurter Strasse 63-69, 65760 ESCHBORN, Germany	-do-	Subsidiary	100	2(87)
57	HCL (Ireland) Information Systems Ltd. 3rd Floor, Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland	-do-	Subsidiary	100	2(87)
58	HCL Technologies Finland Oy Keilaranta 6 02150 Espoo, Finland	-do-	Subsidiary	100	2(87)
59	HCL Technologies Belgium BVBA Lozenburg 22/3, 1932, Zaventem, Belgium	-do-	Subsidiary	100	2(87)
60	HCL Technologies Sweden AB Sveavagen 21, 4 tr, 111 34 Stockholm, Sweden	-do-	Subsidiary	100	2(87)
61	HCL Technologies Italy S.P.A. Vimodrone (MI) via Luigi Cadorna n. 73, cap. 20090, Italy	-do-	Subsidiary	100	2(87)
62	HCL Technologies Columbia S.A.S., Carrera 7 No. 71-52 Torre A Piso 5 / Bogotá Colombia	-do-	Subsidiary	100	2(87)
63	HCL Technologies Middle East FZ-LLC, 215, Floor 2, Building 15, Dubai Internet City, Dubai, UAE	-do-	Subsidiary	100	2(87)
64	HCL Technologies Greece Single Member P.C. 62 Kifissias Avenue, 15125 Maroussi, Athens	-do-	Subsidiary	100	2(87)
65	HCL Istanbul Bilisim Teknolojileri Limited Sirketi Maslak Meydan District No:3 Veko Giz Plaza 13th Floor Apartment no:43 Room no:1302 Sariyer / Istanbul	-do-	Subsidiary	100	2(87)
66	HCL Technologies Egypt Ltd. Unit 01 – 2237, North Tower, Nile City Towers, 22nd Floor, Ramelt Beaulac - Corniche el - Nile - Cairo	-do-	Subsidiary	100	2(87)
67	HCL Technologies S.A. Eddificio Atrium, Piso 3, Av. Venezuela, El Rosal, Caracus, Venezuela	-do-	Subsidiary	100	2(87)
68	HCL Technologies Luxembourg SARL L-1610 Luxembourg, 42-44, Avenue de la Gare	-do-	Subsidiary	100	2(87)
69	HCL Technologies Beijing Co. Ltd. Office no. 2336, 20 / F, Taiking Financial Tower, 38 East Third Ring Road, Chaoyang District, Beijing, China	-do-	Subsidiary	100	2(87)

S. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
70	HCL Technologies (Thailand) Limited 89, AIA Capital Center, 20 / F, Room 2005-2007, Ratchadapisek Road, Kwaeng Dindaeng, Khet Dindaeng, Bangkok 10400, Thailand	-do-	Subsidiary	100	2(87)
71	HCL Technologies Estonia OU Väike-Karja 3 / Sauna 2, Tallinn, Harju county-10140, Estonia	-do-	Subsidiary	100	2(87)
72	HCL Technologies Czech Republic s.r.o Jachymova 26/2, Old Town, 110 00, Prague 1	-do-	Subsidiary	100	2(87)
73	CeleritiFintech Limited (previous name Celeriti Solutions Limited) Axon Centre, Church Road, Egham, Surrey, TW20 9QB, England	-do-	Subsidiary	51	2 (87)
74	CeleritiFintech Australia Pty. Limited Suite 3, Level 2, 66 Clarence Street, Sydney, NSW, 2000, Australia	-do-	Subsidiary	51	2 (87)
75	CeleritiFintech USA Inc. 1209 Orange Street, Wilmington, Delaware 19801, New Castle County, USA	-do-	Subsidiary	51	2 (87)
76	PowerTeam LLC 718, Washington Avenue, N. Suite, Minneapolis, Minnesota, 55401, USA	-do-	Subsidiary	100	2(87)
77	Concept2Silicon Systems Private Limited No. 71 / 72, 1st Floor, 6th Block, Jyoti Niwas, College Road, Industrial Layout, Koramangala, Bangalore-560095, India	U72200KA2009PTC050240	Subsidiary	100	2(87)
78	HCL Training & Staffing Services Private Limited 806, Siddharth, 96, Nehru Place, New Delhi-110019, India	U74140DL2015PTC281555	Subsidiary	100	2(87)
79	HCL Muscat Technologies LLC PO Box 29 PC 135, KOM, Sultanate of Oman	Not Applicable	Subsidiary	100	2(87)
80	CeleritiFintech Italy S.R.L. Via Luigi Cadorna 73, Vimodrone (MI) CAP 20090, Italy	-do-	Subsidiary	51	2(87)
81	CeleritiFintech Germany GmbH Frankfurter Strasse 63-69, D-65760 ESCHBORN, Germany	-do-	Subsidiary	51	2(87)
82	Point to Point Limited Axon Centre, Church Road, Egham, Surrey, TW20 9QB, England	-do-	Subsidiary	100	2(87)
83	Point to Point Products Limited Axon Centre, Church Road, Egham, Surrey, TW20 9QB, England	-do-	Subsidiary	100	2(87)
84	HCL Technologies Lithuania UAB Vilnius City Municipality, Vilnius City, Jogailos 9	-do-	Subsidiary	100	2(87)
85	HCL Technologies (Taiwan) Ltd. (110) 18F, No. 460, Sec. 4, Xinyi Road, Xinyi, Dist., Taipei	-do-	Subsidiary	100	2(87)

S. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
86	Geometric Americas, Inc. 50 Kirts Blvd., Suite A, Troy, MI 48084 USA	-do-	Subsidiary	100	2(87)
87	Butler America Aerospace LLC 2711, Centerville Road, Suite 400, Wilmington, DE 19808, USA	-do-	Subsidiary	100	2(87)
88	Geometric Asia Pacific Pte. Ltd. 8 Shenton Way, #21-07 AXA Tower, Singapore 06881	-do-	Subsidiary	100	2(87)
89	Geometric Europe GmbH Frankfurter Ring 17, 80807 Munich, Germany	-do-	Subsidiary	100	2(87)
90	Geometric China Inc. 23B, The World Square, 855 South Pudong Rd, Pudong New Area, Shanghai, PRC	-do-	Subsidiary	100	2(87)
91	Geometric SRL Parcul Mic 19-21, bl.2 sc.A Mezzanine, Brasov, 500386, Romania	-do-	Subsidiary	100	2(87)
92	Geometric SAS 17, Avenue Didier Daurat, Bâtiment Socrate, First Floor, 31702 Blagnac Cedex, Toulouse, France	-do-	Subsidiary	100	2(87)
93	StateStreet HCL Services (India) Pvt. Limited 806, Siddharth, 96, Nehru Place, New Delhi-110019, India	U72900DL2012FTC229698	Associate	49	2(6)
94	Statestreet HCL Holdings (UK) Ltd. Axon Centre, Church Road, Egham, Surrey, TW20 9QB, England	Not Applicable	Associate	49	2(6)
95	StateStreet HCL Services (Philippines) Inc. Science Hub, Tower 3, Campus Avenue Corner Milano St, Mckinley Hill Cyberpark, Fort Bonifacio Taguig City, Philippines	-do-	Associate	49	2(6)
96	CeleritiFintech Services Limited New Kings, Court Tollgate, Chandler's Ford, Eastleigh, Hampshire, United Kingdom S053 3LG	-do-	Associate	49	2 (6)
97	CeleritiFintech Services USA Inc. 1209 Orange Street, Wilmington, Delaware 19801, County of New Castle USA	-do-	Associate	49	2 (6)
98	CeleritiFintech Services Australia Pty. Limited 26, Talavera Road, Macquire, Park NSW 2113, Australia	-do-	Associate	49	2 (6)
99	CeleritiFintech Services Italy S.R.L. Viale Famagosta 75 Milano (MI) CAP 20142, Italy	-do-	Associate	49	2(6)
100	CeleritiFintech Services Germany, GmbH Frankfurter Strasse 63-69, D-65760 ESCHBORN, Germany	-do-	Associate	49	2(6)
101	CeleritiFintech Services India Pvt. Ltd 806, Siddharth, 96, Nehru Place, New Delhi-110019, India	U72200DL2016FTC289201	Associate	49	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category & Name of the Shareholders		No. of Shares held at the beginning of the year [As on 01-April-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	A. Promoters									
(1)	**Indian**									
(a)	Individuals / Hindu undivided Family	788	-	788	0.00%	788	-	788	0.00%	0.00%
(b)	Central Government / State Government(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
(c)	Financial Institutions / Banks	-	-	-	0.00%	-	-	-	0.00%	0.00%
(d)	Any Other (specify)									
(i)	Bodies Corporate	61,24,70,704	-	61,24,70,704	43.43%	60,32,20,704	-	60,32,20,704	42.28%	-1.15%
(ii)	Trust	-	-	-	0.00%	92,50,000	-	92,50,000	0.65%	0.65%
	Sub-Total (A)(1)	**61,24,71,492**	**-**	**61,24,71,492**	**43.43%**	**61,24,71,492**	**-**	**61,24,71,492**	**42.93%**	**-0.50%**
(2)	**Foreign**		-				-			
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	-	-	-	0.00%	-	-	-	0.00%	0.00%
(b)	Government	-	-	-	0.00%	-	-	-	0.00%	0.00%
(c)	Institutions	-	-	-	0.00%	-	-	-	0.00%	0.00%
(d)	Foreign Portfolio Investor	-	-	-	0.00%	-	-	-	0.00%	0.00%
(e)	Any Other (specify)									
(i)	Bodies Corporate	23,90,97,816	-	23,90,97,816	16.95%	23,90,97,816	-	23,90,97,816	16.76%	-0.19%
	Sub-Total (A)(2)	**23,90,97,816**	**-**	**23,90,97,816**	**16.95%**	**23,90,97,816**	**-**	**23,90,97,816**	**16.76%**	**-0.19%**
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)		**85,15,69,308**	**-**	**85,15,69,308**	**60.38%**	**85,15,69,308**	**-**	**85,15,69,308**	**59.68%**	-0.69%
B.	**Public Shareholding**									
(1)	**Institutions**									
(a)	Mutual Funds	6,14,23,541	2,164	6,14,25,705	4.36%	8,17,02,220	2,164	8,17,04,384	5.73%	1.37%
(b)	Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
(c)	Alternate Investment Funds	6,000	-	6,000	0.00%	4,55,988	-	4,55,988	0.03%	0.03%
(d)	Foreign Venture Capital Investors	-	-	-	0.00%	-	-	-	0.00%	0.00%
(e)	Foreign Portfolio Investors	37,99,33,860	800	37,99,34,660	26.94%	35,04,71,512	800	35,04,72,312	24.56%	-2.37%
(f)	Financial Institutions / Banks	19,09,323	796	19,10,119	0.14%	14,40,611	796	14,41,407	0.10%	-0.03%
(g)	Insurance Companies	1,68,72,761	-	1,68,72,761	1.20%	2,67,72,988	-	2,67,72,988	1.88%	0.68%
(h)	Provident Funds / Pension Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%

Category & Name of the Shareholders		No. of Shares held at the beginning of the year [As on 01-April-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(i)	Any Other (specify)									
(i)	Foreign Banks	1,200	-	1,200	0.00%	1,200	-	1,200	0.00%	0.00%
	Sub-Total (B)(1)	**46,01,46,685**	**3,760**	**46,01,50,445**	**32.63%**	**46,08,44,519**	**3,760**	**46,08,48,279**	**32.30%**	**-0.33%**
(2)	**Central Government / State Government(s) / President of India**	-	-	-	0.00%	-	-	-	0.00%	0.00%
	Sub-Total (B)(2)	-	-	-	**0.00%**	-	-	-	**0.00%**	0.00%
(3)	**Non-institutions**									
(a)	Individuals - i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs	3,72,66,677	6,15,337	3,78,82,014	2.69%	3,67,23,259	6,52,770	3,73,76,029	2.62%	-0.07%
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	31,31,430	-	31,31,430	0.22%	56,13,429	-	56,13,429	0.39%	0.17%
(b)	NBFCs registered with RBI	1,76,651	-	1,76,651	0.01%	1,33,540	-	1,33,540	0.01%	0.00%
(c)	Employee Trusts	-	-	-	0.00%	-	-	-	0.00%	0.00%
(d)	Overseas Depositories (holding DRs) (balancing figure)	-	-	-	0.00%	-	-	-	0.00%	0.00%
(e)	Any Other (specify)									
(i)	Bodies Corporate	4,44,10,958	28,420	4,44,39,378	3.15%	5,73,69,550	7,806	5,73,77,356	4.02%	0.87%
(ii)	Trusts	23,55,820	-	23,55,820	0.17%	43,39,481	-	43,39,481	0.30%	0.14%
(iii)	Foreign Nationals	74,767	-	74,767	0.01%	75,479	-	75,479	0.01%	0.00%
(iv)	Non-Resident Indians	71,82,928	9,440	71,92,368	0.51%	68,40,674	9,240	68,49,914	0.48%	-0.03%
(v)	Overseas Corporate Bodies	17,244	880	18,124	0.00%	17,244	880	18,124	0.00%	0.00%
(vi)	Clearing Members	28,79,933	-	28,79,933	0.20%	20,01,031	-	20,01,031	0.14%	-0.06%
(vii)	Hindu Undivided Families	5,11,076	-	5,11,076	0.04%	5,81,454	-	5,81,454	0.04%	0.00%
Sub-Total (B)(3)		**9,80,07,484**	**6,54,077**	**9,86,61,561**	**7.00%**	**11,36,95,141**	**6,70,696**	**11,43,65,837**	**8.02%**	**1.02%**
Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)		**55,81,54,169**	**6,57,837**	**55,88,12,006**	**39.62%**	**57,45,39,660**	**6,74,456**	**57,52,14,116**	**40.32%**	**0.69%**
Grand Total (A)+(B)		**1,40,97,23,477**	**6,57,837**	**1,41,03,81,314**	**100.00%**	**1,42,61,08,968**	**6,74,456**	**1,42,67,83,424**	**100.00%**	

(ii) Shareholding of Promoter

S. No.	Shareholder's Name	Shareholding at the beginning of the year (01-April-2016)			Shareholding at the end of the year (31-March-2017)			% change in share-holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encum-bered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encum-bered to total shares	
1	Vama Sundari Investments (Delhi) Pvt. Ltd.	60,00,97,024	42.55	0	58,33,47,024	40.89	0	-1.66
2	HCL Corporation Pvt. Ltd.	1,23,73,680	0.88	0	1,23,73,680	0.87	0	-0.01
3	HCL Holdings Pvt. Ltd.*	23,90,97,816	16.95	0	23,90,97,816	16.76	0	-0.19
4	Mr. Shiv Nadar	368	0.00	0	368	0.00	0	0.00
5	Ms. Kiran Nadar	72	0.00	0	72	0.00	0	0.00
6	Ms. Roshni Nadar Malhotra	348	0.00	0	348	0.00	0	0.00
7	HCL Avitas Pvt. Ltd.	0	0.00	0	75,00,000	0.53	0	0.53
8	Shiv Nadar Foundation**	0	0.00	0	52,00,000	0.36	0	0.36
9	Kiran Nadar Musuem of Art **	0	0.00	0	40,50,000	0.28	0	0.28
	Total	**85,15,69,308**	**60.38**	0	**85,15,69,308**	**59.68**	0	

** This is an Overseas Corporate Body.*

*** Mr. Shiv Nadar and / or his family members do not have any beneficial ownership of shares held by the Trusts.*

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
Vama Sundari Investments (Delhi) Pvt. Ltd.					
01-Apr-16	At the beginning of the year	60,00,97,024	42.55	60,00,97,024	42.55
23-Mar-17	Market Sale to Promoter entity-HCL Avitas Ltd.	75,00,000	0.53	59,25,97,024	41.53
23-Mar-17	Shares Transferred by way of Donation to Shiv Nadar Foundation	52,00,000	0.36	58,73,97,024	41.17
23-Mar-17	Shares Transferred by way of Donation to Kiran Nadar Museum of Art	40,50,000	0.28	58,33,47,024	40.89
31-Mar-17	At the end of the year	58,33,47,024	40.89	58,33,47,024	40.89
HCL Corporation Private Limited					
01-Apr-16	At the beginning of the year	1,23,73,680	0.88	1,23,73,680	0.88
31-Mar-17	At the end of the year	1,23,73,680	0.87	1,23,73,680	0.87
HCL Holdings Private Limited					
01-Apr-16	At the beginning of the year	23,90,97,816	16.95	23,90,97,816	16.95
31-Mar-17	At the end of the year	23,90,97,816	16.76	23,90,97,816	16.76
Mr. Shiv Nadar					
01-Apr-16	At the beginning of the year	368	0.00	368	0.00
31-Mar-17	At the end of the year	368	0.00	368	0.00
Ms. Kiran Nadar					
01-Apr-16	At the beginning of the year	72	0.00	72	0.00
31-Mar-17	At the end of the year	72	0.00	72	0.00

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
Ms. Roshni Nadar Malhotra					
01-Apr-16	At the beginning of the year	348	-	348	-
31-Mar-17	At the end of the year	348	-	348	-
HCL Avitas Private Ltd.					
01-Apr-16	At the beginning of the year	-	-	-	-
23-Mar-17	Purchase of Shares	75,00,000	0.01	75,00,000	0.53
31-Mar-17	At the end of the year	75,00,000	0.01	75,00,000	0.53
Shiv Nadar Foundation *					
01-Apr-16	At the beginning of the year	-	-	-	-
23-Mar-17	Receipt of donation from Vama Sundari Investments (Delhi) Pvt. Ltd.	52,00,000	0.00	52,00,000	0.36
31-Mar-17	At the end of the year	52,00,000	0.00	52,00,000	0.36
Kiran Nadar Museum of Art *					
01-Apr-16	At the beginning of the year	-	-	-	-
23-Mar-17	Receipt of donation from Vama Sundari Investments (Delhi) Pvt. Ltd.	40,50,000	-	40,50,000	0.28
31-Mar-17	At the end of the year	40,50,000	-	40,50,000	0.28

** Mr. Shiv Nadar and / or his family members do not have any beneficial ownership in the shares held by the Trusts.*

(iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	**Refer Annexure 2A**			
2	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)				
3	At the end of the year (or on the date of separation, if separated during the year)				

(v) Shareholding of Directors and Key Managerial Personnel:

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
Mr. Shiv Nadar, Managing Director					
01-Apr-16	At the beginning of the year	368	0.00	368	0.00
31-Mar-17	At the end of the year	368	0.00	368	0.00
Ms. Roshni Nadar Malhotra, Director					
01-Apr-16	At the beginning of the year	348	0.00	348	0.00
31-Mar-17	At the end of the year	348	0.00	348	0.00
Mr. Subramanian Madhavan, Director					
01-Apr-16	At the beginning of the year	1,500	0.00	1,500	0.00

Date	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
12-Aug-16	Market purchase	500	0.00	2,000	0.00
10-Mar-17	Market purchase	500	0.00	2,500	0.00
31-Mar-17	Allotted under scheme with Geometric Ltd.	161	0.00	2,661	0.00
31-Mar-17	At the end of the year	2,661	0.00	2,661	0.00
Anant Gupta, President and CEO *					
01-Apr-16	At the beginning of the year	4,25,168	0.00	4,25,168	0.03
20-Oct-16	At the end of the year	4,25,168	0.00	4,25,168	0.03
C. Vijayakumar, President and CEO *					
01-Apr-16	At the beginning of the year	1,10,200	0.00	1,10,200	0.01
31-Mar-17	At the end of the year	1,10,200	0.00	1,10,200	0.01
Anil Chanana, CFO					
01-Apr-16	At the beginning of the year	1,76,132	0.00	1,76,132	0.01
31-Oct-16	Allotment of shares under ESOP	22,880	0.00	1,99,012	0.01
06-Dec-16	Market Sale	13,194	0.00	1,85,818	0.01
07-Dec-16	Market Sale	25,000	0.00	1,60,818	0.01
09-Dec-16	Market Sale	1,056	0.00	1,59,762	0.01
12-Dec-16	Market Sale	20,750	0.00	1,39,012	0.01
31-Mar-17	At the end of the year	1,39,012	0.00	1,39,012	0.01
Manish Anand, CS					
01-Apr-16	At the beginning of the year	19,204	0.00	19,204	0.00
31-Mar-17	At the end of the year	19,204	0.00	19,204	0.00

** Mr. Anant Gupta ceased to be the President and CEO of the Company w.e.f October 20, 2016 and Mr. C. Vijayakumar was appointed as President and CEO of the Company w.e.f October 20, 2016.*

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(Amount in ₹ crores)

Particular	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	41.63	0.03	-	41.66
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**41.63**	**0.03**	**-**	**41.66**
Change in Indebtedness during the financial year				
* Addition	22.09	-	-	22.09
* Reduction	(18.85)	(0.03)	-	(18.88)
Net Change	**3.24**	**(0.03)**	-	**3.20**
Indebtedness at the end of the financial year				
i) Principal Amount	44.87	-	-	44.87
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**44.87**	**-**	**-**	**44.87**

Note:

1. *The Company has availed of term loans of ₹44.87 crores (Previous year ₹41.63 crores) secured by hypothecation of gross block of vehicles.*
2. *Unsecured loans represents Bank overdrafts.*

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and / or Manager:

(Amount in ₹ crores)

S. No.	Particulars of Remuneration	Name of MD / WTD / Manager (Shiv Nadar)	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7.50	7.50
	(b) Value of perquisites u / s 17(2) Income-tax Act, 1961	1.66	1.66
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify…	-	-
5	Others, please specify	-	-
	- Provident Fund	0.18	0.18
	- Medical	0.01	0.01
	- Misc. Reimbursement	0.95	0.95
	Total (A)	**10.30**	**10.30**
	Ceiling as per the Act (5% of net profits of the Company calculated under section 198 of the Companies Act, 2013)		385.63

Note: In addition, Mr. Shiv Nadar received equivalent ₹4.49 crores as salary and perquisites from subsidiaries of the Company.

B. Remuneration to other Directors

(Amount in ₹crores)

S. No.	Particulars of Remuneration	Fee for attending board / committee meetings	Commission	Others, please specify	Total Amount
1	**Independent Directors**				
	Mr. Amal Ganguli*	0.02	0.57	-	0.59
	Mr. Keki Mistry	0.01	0.63	-	0.64
	Mr. Ramanathan Srinivasan	0.01	1.04	-	1.05
	Ms. Robin Ann Abrams	0.02	1.13	-	1.15
	Dr. Sosale Shankara Sastry	0.01	0.86	-	0.87
	Mr. Subramanian Madhavan	0.04	0.72	-	0.76
	Mr. Thomas Sieber	0.01	0.86	-	0.87
	Ms. Nishi Vasudeva**	0.01	0.37	-	0.38
	Total (1)	**0.13**	**6.18**	-	**6.31**
2	**Other Non-Executive Directors**				
	Ms. Roshni Nadar Malhotra	0.02	0.63	-	0.65
	Mr. Sudhindar Krishan Khanna	0.01	0.58	-	0.59
	Total (2)	**0.03**	**1.21**	**-**	**1.24**
	Total (B)=(1+2)	**0.16**	**7.39**	-	**7.55**
3	Overall Ceiling as per the Act (1% of net profits of the Company calculated under section 198 of the Companies Act, 2013)				77.13
	Total Managerial Remuneration(A+B)				**17.85**

**Mr. Amal Ganguli ceased to be a Director of the Company due to his demise on May 8, 2017.*

***Ms. Nishi Vasudeva was appointed as a Director of the Company w.e.f. August 1, 2016.*

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

(Amount in ₹ crores)

S. No.	Particulars of Remuneration	Key Managerial Personnel				Total
		Mr. Anant Gupta, Chief Executive Officer*	Mr. C Vijayakumar, Chief Executive Officer**	Mr. Anil Chanana, Chief Financial Officer^	Mr. Manish Anand, Company Secretary	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6.07	-	5.31	0.66	**12.04**
	(b) Value of perquisites u / s 17(2) Income-tax Act, 1961	0.90	-	0.01	-	**0.91**
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	**-**
2	Stock Option	-	-	-	-	**-**
3	Sweat Equity	-	-	-	-	-
4	Commission - as % of profit - others, specify…	-	-	-	-	-
5	Others, please specify	-	-	-	-	
	Total	**6.97**	**-**	**5.32**	**0.66**	**12.95**

**Mr. Anant Gupta ceased to be the President and CEO w.e.f. October 20, 2016 and Mr. C. Vijayakumar was appointed as the President and CEO of the Company w.e.f. October 20, 2016.*

***Mr. C. Vijayakumar is not getting any remuneration from the Company however, he has received equivalent ₹ 7.06 crores as remuneration from a subsidiary of the Company.*

^In addition, Mr. Anil Chanana received equivalent ₹ 2.32 crores as remuneration from a subsidiary of the Company.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / Court]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			**NIL**		
Punishment					
Compounding					
B. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			**NIL**		
Compounding					

Annexure - 2A to the Directors' Report

Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

Date	Shareholder Name	Shareholding		Cummulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
ICICI PRUDENTIAL MUTUAL FUND					
01-Apr-16	**Opening Balance**	**-**	**-**	**15,608,655**	**1.11**
08-Apr-16	Sale	(933,276)	0.07	14,675,379	1.04
15-Apr-16	Purchase	176,941	0.01	14,852,320	1.05
22-Apr-16	Sale	(411,144)	0.03	14,441,176	1.02
29-Apr-16	Sale	(611,400)	0.04	13,829,776	0.98
06-May-16	Purchase	1,029,335	0.07	14,859,111	1.05
13-May-16	Purchase	1,747,491	0.12	16,606,602	1.18
20-May-16	Purchase	2,976,719	0.21	19,583,321	1.39
27-May-16	Purchase	142,995	0.01	19,726,316	1.40
03-Jun-16	Purchase	2,414,049	0.17	22,140,365	1.57
10-Jun-16	Purchase	300,040	0.02	22,440,405	1.59
17-Jun-16	Sale	(793,760)	0.06	21,646,645	1.53
24-Jun-16	Sale	(408,600)	0.03	21,238,045	1.51
30-Jun-16	Sale	(214,573)	0.02	21,023,472	1.49
01-Jul-16	Sale	(1,108)	0.00	21,022,364	1.49
08-Jul-16	Purchase	400	0.00	21,022,764	1.49
15-Jul-16	Purchase	586,351	0.04	21,609,115	1.53
22-Jul-16	Purchase	1,482	0.00	21,610,597	1.53
29-Jul-16	Sale	(266,776)	0.02	21,343,821	1.51
11-Aug-16	Sale	(2,197,754)	0.16	19,146,067	1.36
19-Aug-16	Sale	(762,789)	0.05	18,383,278	1.30
26-Aug-16	Purchase	72,128	0.01	18,455,406	1.31
02-Sep-16	Purchase	70,739	0.01	18,526,145	1.31
09-Sep-16	Sale	(484,819)	0.03	18,041,326	1.28
16-Sep-16	Purchase	1,298,705	0.09	19,340,031	1.37
19-Sep-16	Purchase	4,424	0.00	19,344,455	1.37
20-Sep-16	Purchase	109,386	0.01	19,453,841	1.38
23-Sep-16	Sale	(62,619)	0.00	19,391,222	1.37
30-Sep-16	Sale	(1,003,213)	0.07	18,388,009	1.30
07-Oct-16	Purchase	4,510	0.00	18,392,519	1.30
14-Oct-16	Purchase	2,993	0.00	18,395,512	1.30
21-Oct-16	Purchase	125,977	0.01	18,521,489	1.31
04-Nov-16	Purchase	1,211,567	0.09	19,733,056	1.40
11-Nov-16	Sale	(25,419)	0.02	19,707,637	1.40
18-Nov-16	Purchase	1,112,418	0.08	20,820,055	1.48
25-Nov-16	Purchase	1,148,031	0.08	21,968,086	1.56
02-Dec-16	Purchase	253,314	0.02	22,221,400	1.57
09-Dec-16	Purchase	274,800	0.02	22,496,200	1.59
16-Dec-16	Purchase	476,410	0.03	22,972,610	1.63
30-Dec-16	Sale	(332,031)	0.02	22,640,579	1.60
31-Dec-16	Purchase	21,980,081	1.56	44,620,660	3.16
06-Jan-17	Sale	(22,202,452)	1.57	22,418,208	1.59
13-Jan-17	Sale	(183,174)	0.01	22,235,034	1.58

Date	Shareholder Name	Shareholding		Cummulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
20-Jan-17	Sale	(304,801)	0.02	21,930,233	1.55
27-Jan-17	Purchase	49,848	0.00	21,980,081	1.56
02-Feb-17	Purchase	197,854	0.01	22,177,935	1.57
10-Feb-17	Purchase	738,328	0.05	22,916,263	1.62
17-Feb-17	Purchase	3,369	0.00	22,919,632	1.62
24-Feb-17	Sale	(348,599)	0.02	22,571,033	1.60
03-Mar-17	Sale	(96,809)	0.01	22,474,224	1.59
10-Mar-17	Sale	(229,571)	0.02	22,244,653	1.58
17-Mar-17	Sale	(386,591)	0.03	21,858,062	1.55
24-Mar-17	Sale	(784,059)	0.05	21,074,003	1.48
31-Mar-17	Sale	(432,635)	0.03	20,641,368	1.45
31-Mar-17	**Balance at the end of the Year**	**-**	**-**	**20,641,368**	**1.45**
LAZARD ASSET MANAGEMENT LLC A / C LAZARD EMERGING MARKETS PORTFOLIO					
01-Apr-16	**Opening Balance**	**-**	**-**	**11,078,594**	**0.79**
29-Apr-16	Purchase	120,489	0.01	11,199,083	0.79
24-Jun-16	Purchase	215,450	0.02	11,414,533	0.81
09-Dec-16	Sale	(170,830)	0.01	11,243,703	0.80
16-Dec-16	Sale	(120,017)	0.01	11,123,686	0.79
31-Dec-16	Purchase	11,708,091	0.83	22,831,777	1.62
06-Jan-17	Sale	(11,708,091)	0.83	11,123,686	0.79
27-Jan-17	Purchase	584,405	0.04	11,708,091	0.83
02-Feb-17	Purchase	531,705	0.04	12,239,796	0.87
10-Mar-17	Purchase	184,514	0.01	12,424,310	0.88
17-Mar-17	Purchase	250,341	0.02	12,674,651	0.90
31-Mar-17	**Balance at the end of the Year**	**-**	**-**	**12,674,651**	**0.90**
ABU DHABI INVESTMENT AUTHORITY					
01-Apr-16	**Opening Balance**	**-**	**-**	**17,752,030**	**1.26**
08-Apr-16	Purchase	361,940	0.03	18,113,970	1.28
15-Apr-16	Purchase	49,355	0.00	18,163,325	1.29
22-Apr-16	Purchase	121,000	0.01	18,284,325	1.30
29-Apr-16	Sale	(323,101)	0.02	17,961,224	1.27
06-May-16	Sale	(41,440)	0.00	17,919,784	1.27
13-May-16	Sale	(466,789)	0.03	17,452,995	1.24
20-May-16	Sale	(92,283)	0.01	17,360,712	1.23
27-May-16	Sale	(7,750)	0.00	17,352,962	1.23
03-Jun-16	Purchase	572,230	0.04	17,925,192	1.27
10-Jun-16	Sale	(908,385)	0.06	17,016,807	1.21
24-Jun-16	Purchase	53,571	0.00	17,070,378	1.21
30-Jun-16	Sale	(136,124)	0.01	16,934,254	1.20
01-Jul-16	Sale	(180,000)	0.01	16,754,254	1.19
08-Jul-16	Sale	(146,989)	0.01	16,607,265	1.18
11-Aug-16	Purchase	40,000	0.00	16,647,265	1.18
19-Aug-16	Sale	(41,592)	0.00	16,605,673	1.18
26-Aug-16	Purchase	149,993	0.01	16,755,666	1.19
02-Sep-16	Sale	(170,241)	0.01	16,585,425	1.18

Date	Shareholder Name	Shareholding		Cummulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
09-Sep-16	Purchase	100,000	0.01	16,685,425	1.18
02-Dec-16	Sale	(184,093)	0.01	16,501,332	1.17
30-Dec-16	Sale	(929,609)	0.07	15,571,723	1.10
31-Dec-16	Purchase	14,911,936	1.06	30,483,659	2.16
06-Jan-17	Sale	(14,911,936)	1.06	15,571,723	1.10
13-Jan-17	Purchase	10,223	0.00	15,581,946	1.10
20-Jan-17	Sale	(670,010)	0.05	14,911,936	1.06
02-Feb-17	Sale	(586,000)	0.04	14,325,936	1.02
24-Feb-17	Sale	(12,877)	0.00	14,313,059	1.01
03-Mar-17	Sale	(16,390)	0.00	14,296,669	1.01
17-Mar-17	Sale	(534,349)	0.04	13,762,320	0.98
31-Mar-17	**Balance at the end of the Year**	**-**	**-**	**13,762,320**	**0.98**
ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD					
01-Apr-16	**Opening Balance**	**-**	**-**	**10,298,711**	**0.73**
08-Apr-16	Sale	(132,049)	0.01	10,166,662	0.72
15-Apr-16	Purchase	51,480	0.00	10,218,142	0.72
22-Apr-16	Purchase	6,207	0.00	10,224,349	0.72
29-Apr-16	Purchase	396,521	0.03	10,620,870	0.75
06-May-16	Purchase	463,082	0.03	11,083,952	0.79
13-May-16	Purchase	54,646	0.00	11,138,598	0.79
20-May-16	Purchase	197,016	0.01	11,335,614	0.80
27-May-16	Purchase	480,833	0.03	11,816,447	0.84
03-Jun-16	Purchase	179,661	0.01	11,996,108	0.85
10-Jun-16	Purchase	72,184	0.01	12,068,292	0.86
17-Jun-16	Purchase	699	0.00	12,068,991	0.86
24-Jun-16	Purchase	51,790	0.00	12,120,781	0.86
30-Jun-16	Sale	(70,883)	0.01	12,049,898	0.85
01-Jul-16	Purchase	12,895	0.00	12,062,793	0.86
08-Jul-16	Purchase	231,313	0.02	12,294,106	0.87
15-Jul-16	Purchase	279,194	0.02	12,573,300	0.89
22-Jul-16	Purchase	180,375	0.01	12,753,675	0.90
29-Jul-16	Purchase	21,761	0.00	12,775,436	0.91
11-Aug-16	Purchase	916,460	0.06	13,691,896	0.97
19-Aug-16	Purchase	226,479	0.02	13,918,375	0.99
26-Aug-16	Purchase	54,796	0.00	13,973,171	0.99
02-Sep-16	Purchase	327,823	0.02	14,300,994	1.01
09-Sep-16	Purchase	311,874	0.02	14,612,868	1.04
16-Sep-16	Purchase	182,110	0.01	14,794,978	1.05
19-Sep-16	Purchase	1,840	0.00	14,796,818	1.05
23-Sep-16	Sale	(127,064)	0.01	14,669,754	1.04
30-Sep-16	Purchase	66,859	0.00	14,736,613	1.04
07-Oct-16	Purchase	12,723	0.00	14,749,336	1.05
14-Oct-16	Purchase	225,605	0.02	14,974,941	1.06
21-Oct-16	Purchase	185,867	0.01	15,160,808	1.07
28-Oct-16	Purchase	1,716,600	0.12	16,877,408	1.20
04-Nov-16	Purchase	777,781	0.06	17,655,189	1.25

Date	Shareholder Name	Shareholding		Cummulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
11-Nov-16	Sale	(14,400)	0.00	17,640,789	1.25
18-Nov-16	Purchase	179,065	0.01	17,819,854	1.26
25-Nov-16	Purchase	197,760	0.01	18,017,614	1.28
02-Dec-16	Purchase	47,546	0.00	18,065,160	1.28
09-Dec-16	Purchase	150,153	0.01	18,215,313	1.29
16-Dec-16	Purchase	150,002	0.01	18,365,315	1.30
30-Dec-16	Purchase	149,371	0.01	18,514,686	1.31
31-Dec-16	Purchase	19,181,876	1.36	37,696,562	2.67
06-Jan-17	Sale	(19,119,041)	1.35	18,577,521	1.32
13-Jan-17	Purchase	196,983	0.01	18,774,504	1.33
20-Jan-17	Sale	(18,285)	0.00	18,756,219	1.33
27-Jan-17	Purchase	425,657	0.03	19,181,876	1.36
02-Feb-17	Purchase	137,067	0.01	19,318,943	1.37
10-Feb-17	Purchase	124,989	0.01	19,443,932	1.38
17-Feb-17	Purchase	109,018	0.01	19,552,950	1.39
24-Feb-17	Purchase	255,383	0.02	19,808,333	1.40
03-Mar-17	Purchase	65,119	0.00	19,873,452	1.41
10-Mar-17	Purchase	59,369	0.00	19,932,821	1.41
17-Mar-17	Purchase	4,295	0.00	19,937,116	1.41
24-Mar-17	Purchase	169,766	0.01	20,106,882	1.41
31-Mar-17	Sale	(371,677)	0.03	19,735,205	1.38
31-Mar-17	**Balance at the end of the Year**	**-**	**-**	**19,735,205**	**1.38**
LIFE INSURANCE CORPORATION OF INDIA					
01-Apr-16	**Opening Balance**	**-**	**-**	**17,978,203**	**1.28**
08-Apr-16	Sale	(34,572)	0.01	17,943,631	1.27
22-Jul-16	Purchase	1,072,620	0.08	19,016,251	1.35
29-Jul-16	Purchase	2,254,774	0.16	21,271,025	1.51
11-Aug-16	Purchase	345,010	0.02	21,616,035	1.53
26-Aug-16	Purchase	2,000	0.00	21,618,035	1.53
16-Sep-16	Purchase	50,000	0.00	21,668,035	1.54
30-Sep-16	Purchase	1,815,476	0.13	23,483,511	1.66
07-Oct-16	Purchase	2,295,422	0.16	25,778,933	1.83
14-Oct-16	Purchase	705,889	0.05	26,484,822	1.88
21-Oct-16	Purchase	1,566,511	0.11	28,051,333	1.99
28-Oct-16	Purchase	485,535	0.03	28,536,868	2.02
04-Nov-16	Purchase	25,000	0.00	28,561,868	2.02
31-Dec-16	Purchase	28,418,868	2.01	56,980,736	4.04
06-Jan-17	Sale	(28,418,868)	2.01	28,561,868	2.02
13-Jan-17	Sale	(60,000)	0.00	28,501,868	2.02
20-Jan-17	Sale	(75,000)	0.01	28,426,868	2.01
27-Jan-17	Sale	(8,000)	0.00	28,418,868	2.01
02-Feb-17	Sale	(25,000)	0.00	28,393,868	2.01
24-Feb-17	Sale	(16,863)	0.00	28,377,005	2.01
03-Mar-17	Sale	(52,500)	0.00	28,324,505	2.01
10-Mar-17	Sale	(198,131)	0.01	28,126,374	1.99
17-Mar-17	Sale	(409,865)	0.03	27,716,509	1.96
24-Mar-17	Sale	(512,478)	0.04	27,204,031	1.91
31-Mar-17	**Balance at the end of the Year**	**-**	**-**	**27,204,031**	**1.91**

Date	Shareholder Name	Shareholding		Cummulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
GOVERNMENT OF SINGAPORE					
01-Apr-16	**Opening Balance**	**-**	**-**	**13,315,619**	**0.95**
08-Apr-16	Sale	(20,135)	0.00	13,295,484	0.95
15-Apr-16	Sale	(94,497)	0.01	13,200,987	0.94
22-Apr-16	Sale	(151,829)	0.01	13,049,158	0.93
29-Apr-16	Sale	(42,290)	0.00	13,006,868	0.92
06-May-16	Sale	(526,649)	0.04	12,480,219	0.88
13-May-16	Sale	(4,098)	0.00	12,476,121	0.88
03-Jun-16	Sale	(1,489,550)	0.11	10,986,571	0.78
10-Jun-16	Purchase	109,348	0.01	11,095,919	0.79
17-Jun-16	Purchase	102,079	0.01	11,197,998	0.79
24-Jun-16	Purchase	324,488	0.02	11,522,486	0.82
08-Jul-16	Sale	(164,232)	0.01	11,358,254	0.81
15-Jul-16	Sale	(102,260)	0.01	11,255,994	0.80
22-Jul-16	Sale	(137,274)	0.01	11,118,720	0.79
29-Jul-16	Sale	(113,815)	0.01	11,004,905	0.78
11-Aug-16	Sale	(66,283)	0.00	10,938,622	0.78
19-Aug-16	Sale	(251,044)	0.02	10,687,578	0.76
26-Aug-16	Sale	(610,628)	0.04	10,076,950	0.71
02-Sep-16	Sale	(200,951)	0.01	9,875,999	0.70
09-Sep-16	Sale	(313,592)	0.02	9,562,407	0.68
16-Sep-16	Purchase	1,401	0.00	9,563,808	0.68
30-Sep-16	Sale	(115,154)	0.01	9,448,654	0.67
07-Oct-16	Purchase	70,168	0.00	9,518,822	0.67
14-Oct-16	Purchase	7,135	0.00	9,525,957	0.68
21-Oct-16	Sale	(272,721)	0.02	9,253,236	0.66
28-Oct-16	Sale	(816,406)	0.06	8,436,830	0.60
04-Nov-16	Sale	(19,933)	0.00	8,416,897	0.60
11-Nov-16	Sale	(19,134)	0.00	8,397,763	0.60
18-Nov-16	Sale	(38,927)	0.00	8,358,836	0.59
25-Nov-16	Purchase	8,415	0.00	8,367,251	0.59
02-Dec-16	Purchase	88,047	0.01	8,455,298	0.60
09-Dec-16	Sale	(10,075)	0.00	8,445,223	0.60
30-Dec-16	Purchase	60,520	0.00	8,505,743	0.60
31-Dec-16	Purchase	9,304,764	0.66	17,810,507	1.26
06-Jan-17	Sale	(9,248,318)	0.66	8,562,189	0.61
13-Jan-17	Purchase	460,465	0.03	9,022,654	0.64
20-Jan-17	Purchase	276,870	0.02	9,299,524	0.66
27-Jan-17	Purchase	5,240	0.00	9,304,764	0.66
02-Feb-17	Sale	(224,573)	0.02	9,080,191	0.64
10-Feb-17	Sale	(229,534)	0.02	8,850,657	0.63
17-Feb-17	Purchase	3,981	0.00	8,854,638	0.63
03-Mar-17	Sale	(45,339)	0.00	8,809,299	0.62
10-Mar-17	Purchase	22,771	0.00	8,832,070	0.63
31-Mar-17	Sale	(174,589)	0.01	8,657,481	0.61
31-Mar-17	**Balance at the end of the Year**	**-**	**-**	**8,657,481**	**0.61**

Date	Shareholder Name	Shareholding		Cummulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
RELIANCE CAPITAL TRUSTEE CO. LTD					
01-Apr-16	**Opening Balance**	**-**	**-**	**13,904,046**	**0.99**
08-Apr-16	Sale	(267,311)	0.02	13,636,735	0.97
15-Apr-16	Purchase	255,000	0.02	13,891,735	0.99
22-Apr-16	Purchase	89,757	0.00	13,981,492	0.99
29-Apr-16	Sale	(48)	0.00	13,981,444	0.99
06-May-16	Purchase	260,000	0.02	14,241,444	1.01
13-May-16	Purchase	244,000	0.02	14,485,444	1.03
20-May-16	Purchase	107,600	0.01	14,593,044	1.03
27-May-16	Purchase	42,400	0.00	14,635,444	1.04
03-Jun-16	Purchase	411,295	0.03	15,046,739	1.07
10-Jun-16	Purchase	50,188	0.00	15,096,927	1.07
17-Jun-16	Sale	(130,925)	0.01	14,966,002	1.06
24-Jun-16	Sale	(135,400)	0.01	14,830,602	1.05
30-Jun-16	Purchase	11,300	0.00	14,841,902	1.05
08-Jul-16	Purchase	90,031	0.01	14,931,933	1.06
15-Jul-16	Sale	(79)	0.00	14,931,854	1.06
22-Jul-16	Sale	(27,300)	0.00	14,904,554	1.06
29-Jul-16	Sale	(3,150)	0.00	14,901,404	1.06
11-Aug-16	Sale	(347,250)	0.02	14,554,154	1.03
19-Aug-16	Purchase	80,455	0.01	14,634,609	1.04
26-Aug-16	Sale	(11,900)	0.00	14,622,709	1.04
02-Sep-16	Sale	(4,958)	0.00	14,617,751	1.04
09-Sep-16	Sale	(88,986)	0.01	14,528,765	1.03
16-Sep-16	Sale	(3,876)	0.00	14,524,889	1.03
23-Sep-16	Sale	(100,000)	0.01	14,424,889	1.02
30-Sep-16	Sale	(85,200)	0.01	14,339,689	1.02
07-Oct-16	Sale	(84,800)	0.01	14,254,889	1.01
14-Oct-16	Sale	(44)	0.00	14,254,845	1.01
21-Oct-16	Purchase	355	0.00	14,255,200	1.01
28-Oct-16	Purchase	42,000	0.00	14,297,200	1.01
04-Nov-16	Sale	(38,000)	0.00	14,259,200	1.01
11-Nov-16	Purchase	150,615	0.01	14,409,815	1.02
18-Nov-16	Purchase	215,444	0.02	14,625,259	1.04
25-Nov-16	Purchase	68,106	0.00	14,693,365	1.04
02-Dec-16	Sale	(2,028)	0.00	14,691,337	1.04
16-Dec-16	Sale	(3,276)	0.00	14,688,061	1.04
30-Dec-16	Purchase	4,271	0.00	14,692,332	1.04
31-Dec-16	Purchase	14,812,009	1.05	29,504,341	2.09
06-Jan-17	Sale	(14,806,648)	1.05	14,697,693	1.04
13-Jan-17	Sale	(28,704)	0.00	14,668,989	1.04
20-Jan-17	Purchase	74,688	0.01	14,743,677	1.04
27-Jan-17	Purchase	68,332	0.00	14,812,009	1.05
02-Feb-17	Purchase	83,589	0.01	14,895,598	1.06
10-Feb-17	Sale	(6,136)	0.00	14,889,462	1.06
17-Feb-17	Sale	(244)	0.00	14,889,218	1.06
24-Feb-17	Purchase	178,518	0.01	15,067,736	1.07

Date	Shareholder Name	Shareholding		Cummulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
03-Mar-17	Purchase	89,860	0.01	15,157,596	1.07
10-Mar-17	Purchase	89,376	0.01	15,246,972	1.08
17-Mar-17	Purchase	13,920	0.00	15,260,892	1.08
24-Mar-17	Purchase	871,495	0.06	16,132,387	1.13
31-Mar-17	Sale	(3,831)	0.00	16,128,556	1.13
31-Mar-17	**Balance at the end of the Year**	**-**	**-**	**16,128,556**	**1.13**
VANGUARD EMERGING MARKETS STOCK INDEX FUND					
01-Apr-16	**Opening Balance**	**-**	**-**	**8,193,805**	**0.58**
08-Apr-16	Purchase	30,296	0.00	8,224,101	0.58
22-Apr-16	Purchase	9,043	0.00	8,233,144	0.58
29-Apr-16	Sale	(20,858)	0.00	8,212,286	0.58
06-May-16	Sale	(13,338)	0.00	8,198,948	0.58
20-May-16	Sale	(11,279)	0.00	8,187,669	0.58
27-May-16	Sale	(54,041)	0.00	8,133,628	0.58
03-Jun-16	Sale	(2,957)	0.00	8,130,671	0.58
10-Jun-16	Purchase	22,529	0.00	8,153,200	0.58
17-Jun-16	Sale	(39,376)	0.00	8,113,824	0.58
24-Jun-16	Sale	(27,658)	0.00	8,086,166	0.57
22-Jul-16	Purchase	18,756	0.00	8,104,922	0.57
29-Jul-16	Purchase	56,688	0.00	8,161,610	0.58
11-Aug-16	Purchase	93,108	0.01	8,254,718	0.59
19-Aug-16	Purchase	67,840	0.00	8,322,558	0.59
09-Sep-16	Purchase	30,570	0.00	8,353,128	0.59
19-Sep-16	Sale	(240,289)	0.01	8,112,839	0.58
07-Oct-16	Purchase	32,608	0.00	8,145,447	0.58
14-Oct-16	Purchase	22,418	0.00	8,167,865	0.58
21-Oct-16	Purchase	76,425	0.01	8,244,290	0.58
28-Oct-16	Purchase	30,570	0.00	8,274,860	0.59
11-Nov-16	Purchase	66,235	0.00	8,341,095	0.59
25-Nov-16	Purchase	80,501	0.01	8,421,596	0.60
02-Dec-16	Purchase	45,855	0.00	8,467,451	0.60
31-Dec-16	Purchase	8,564,075	0.61	17,031,526	1.21
06-Jan-17	Sale	(8,540,651)	0.61	8,490,875	0.60
13-Jan-17	Purchase	49,776	0.00	8,540,651	0.61
20-Jan-17	Purchase	23,424	0.00	8,564,075	0.61
02-Feb-17	Purchase	70,272	0.00	8,634,347	0.61
17-Feb-17	Purchase	19,520	0.00	8,653,867	0.61
24-Mar-17	Purchase	43,155	0.00	8,697,022	0.61
31-Mar-17	Purchase	42,196	0.00	8,739,218	0.61
31-Mar-17	**Balance at the end of the Year**	**-**	**-**	**8,739,218**	**0.61**
FRANKLIN TEMPLETON INVESTMENT FUNDS					
01-Apr-16	**Opening Balance**	**-**	**-**	**10,557,582**	**0.75**
29-Apr-16	Purchase	33,000	0.00	10,590,582	0.75
06-May-16	Purchase	290,000	0.02	10,880,582	0.77
13-May-16	Purchase	450,000	0.03	11,330,582	0.80

Date	Shareholder Name	Shareholding		Cummulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
11-Aug-16	Sale	(488,420)	0.03	10,842,162	0.77
12-Aug-16	Sale	(541,947)	0.04	10,300,215	0.73
19-Aug-16	Sale	(241,520)	0.02	10,058,695	0.71
26-Aug-16	Sale	(519,438)	0.04	9,539,257	0.68
09-Sep-16	Sale	(67,283)	0.00	9,471,974	0.67
16-Sep-16	Sale	(3,287)	0.00	9,468,687	0.67
20-Sep-16	Sale	(305,319)	0.02	9,163,368	0.65
23-Sep-16	Sale	(495,128)	0.04	8,668,240	0.61
30-Sep-16	Sale	(1,077,504)	0.08	7,590,736	0.54
07-Oct-16	Sale	(1,350,154)	0.10	6,240,582	0.44
31-Dec-16	Purchase	6,240,582	0.44	12,481,164	0.88
06-Jan-17	Sale	(6,240,582)	0.44	6,240,582	0.44
10-Feb-17	Sale	(589,550)	0.04	5,651,032	0.40
17-Feb-17	Sale	(766,231)	0.05	4,884,801	0.35
24-Feb-17	Sale	(419,219)	0.03	4,465,582	0.32
31-Mar-17	**Balance at the end of the Year**	**-**	**-**	**4,465,582**	**0.32**
STICHTING DEPOSITARY APG EMERGING MARKETS EQUITY POOL					
01-Apr-16	**Opening Balance**	**-**	**-**	**9,424,815**	**0.67**
08-Apr-16	Purchase	77,600	0.01	9,502,415	0.67
29-Apr-16	Sale	(138,675)	0.01	9,363,740	0.66
06-May-16	Sale	(486,947)	0.03	8,876,793	0.63
13-May-16	Sale	(360,560)	0.03	8,516,233	0.60
27-May-16	Purchase	307,881	0.02	8,824,114	0.63
03-Jun-16	Sale	(1,333,475)	0.09	7,490,639	0.53
10-Jun-16	Purchase	125,996	0.01	7,616,635	0.54
17-Jun-16	Purchase	138,446	0.01	7,755,081	0.55
30-Jun-16	Purchase	56,035	0.00	7,811,116	0.55
22-Jul-16	Purchase	41,757	0.00	7,852,873	0.56
29-Jul-16	Purchase	147,360	0.01	8,000,233	0.57
11-Aug-16	Purchase	932,394	0.07	8,932,627	0.63
12-Aug-16	Purchase	320,000	0.02	9,252,627	0.66
19-Aug-16	Purchase	517,339	0.04	9,769,966	0.69
02-Sep-16	Purchase	51,336	0.00	9,821,302	0.70
09-Sep-16	Purchase	269,396	0.02	10,090,698	0.72
16-Sep-16	Sale	(868,159)	0.06	9,222,539	0.65
23-Sep-16	Sale	(30,105)	0.00	9,192,434	0.65
30-Sep-16	Purchase	332,899	0.02	9,525,333	0.68
07-Oct-16	Purchase	359,563	0.03	9,884,896	0.70
14-Oct-16	Sale	(410,604)	0.03	9,474,292	0.67
21-Oct-16	Sale	(148,590)	0.01	9,325,702	0.66
04-Nov-16	Sale	(462,322)	0.03	8,863,380	0.63
18-Nov-16	Sale	(203,042)	0.01	8,660,338	0.61
02-Dec-16	Sale	(778,701)	0.06	7,881,637	0.56
09-Dec-16	Sale	(153,333)	0.01	7,728,304	0.55
16-Dec-16	Purchase	129,635	0.01	7,857,939	0.56
31-Dec-16	Purchase	7,577,721	0.54	15,435,660	1.09

Date	Shareholder Name	Shareholding		Cummulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
06-Jan-17	Sale	(7,577,721)	0.54	7,857,939	0.56
20-Jan-17	Sale	(72,372)	0.01	7,785,567	0.55
27-Jan-17	Sale	(207,846)	0.01	7,577,721	0.54
02-Feb-17	Sale	(27,370)	0.00	7,550,351	0.54
10-Feb-17	Purchase	212,628	0.02	7,762,979	0.55
03-Mar-17	Sale	(19,248)	0.00	7,743,731	0.55
10-Mar-17	Purchase	44,830	0.00	7,788,561	0.55
31-Mar-17	**Balance at the end of the Year**	**-**	**-**	**7,788,561**	**0.55**

Note: Since, the shares of the Company are traded on a daily basis, the dates of above sale/ purchase have been derived from the Beneficiary position statements received from Depositories.

Annexure - 3 to the Directors' Report

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. **Details of contracts or arrangements or transactions not at arm's length basis**

   During the financial year ended March 31, 2017, HCL Technologies Limited ('HCLT') has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length.

2. **Details of material contracts or arrangement or transactions at arm's length basis**

   (a) Name(s) of the related party and nature of relationship:

   HCL America Inc., ('HCLA') a wholly owned step down subsidiary of the Company in United States of America.

   (b) Nature of contracts / arrangements / transactions:

   Rendering / obtaining of services, product sales and other miscellaneous income.

   (c) Duration of the contracts / arrangements / transactions:

   Ongoing.

   (d) Salient terms of the contracts or arrangements or transactions including the value, if any:

   HCLT shall (i) provide IT / ITES services to the existing and new clients of HCLA including various support and general administrative services as may be required from time to time; (ii) HCLA shall provide IT / ITES services including the sales and marketing support services to HCLT (iii) both the parties shall diligently perform their respective obligation under the contracts in timely manner and provide services in accordance with the work order issued by the customer, (iv) both the parties shall submit invoices on timely basis for the services provided for each project to each other as per the terms of contract and promptly pay the same, (v) be responsible for all the expenses incurred in connection with providing its services and(vi) comply with the local, state and federal laws and regulations applicable while providing services. The total value of transactions entered into with HCL America Inc. during the period from April 1, 2016 to March 31, 2017 is ₹ 7,884.80 crores.

   (e) Date(s) of approval by the Board, if any:

   Not applicable, since the contract was entered into in the ordinary course of business and on arm's length basis.

   (f) Amount paid as advances, if any:

   Nil.

For and on behalf of the Board of Directors

Place: Noida (U.P.), India
Date : May 11, 2017

Shiv Nadar
Chairman and Chief Strategy Officer

Annexure - 4 to the Directors' Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. **A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

   The objective of the CSR policy ("Policy") of the Company is to lay down guidelines for proper execution of CSR activities of the Company so as to support the sustainable development of the society. The Company has set up HCL Foundation to focus on the CSR activities of the Company. The CSR activities, projects and programmes undertaken by the Company shall be those as approved by the CSR committee and are covered under the areas set out in Schedule VII of the Companies Act, 2013. The Company is doing CSR expenditure in Education, Infrastructure, Women Development and Health. Details of the CSR policy are on the website of the Company at https://www.hcltech.com/investors/governance-policies

2. **The composition of the CSR Committee.**

   CSR Committee comprises of Ms. Roshni Nadar Malhotra (Chairperson), Mr. Shiv Nadar and Mr. Subramanian Madhavan.

3. **Average net profit of the company for last three financial years.** ₹ 6,458.17 crores

4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above).** ₹ 129.16 crores

5. **Details of CSR spent during the financial year**

   (a) Total amount to be spent for the financial year: ₹ 129.16 crores
   (b) Amount unspent, if any; ₹ 90.64 crores
   (c) Manner in which the amount spent during the financial year is detailed below.

S. No.	CSR Project or activity identified - NGO Partner / Direct implementation	Sector in which project is covered	Projects or Programs (1) Local area or other (2) specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or program wise (₹ / crores)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads (₹/ crores)	Cumulative expenditure upto the reporting period (₹ / crores)	Amount spent: Direct or through implementing agency (₹/ crores)
1	Kochi Biennale Foundation	Improving the arts and culture	Cochin	0.88	0.74	0.74	Through Implementing Partner
2	Hope Foundation, Childhood Enhancement Through Training And Action, Community Aid And Sponsorship Programme, Going to School, Lions Club of Gunidy High School, Meljol, Mukti Rehabilitation Centre, Myrada, Ramakrishna Vivekananda Mission, Rasta, Reaching Hand, Southern India Multiple Districts Lions Quest Foundation, Saksham Trust	Improving the quality of education	Noida, Lucknow, Delhi, Uttar Pradesh, Chennai, Maharashtra, Jharkhand, Kolkata, Bangalore	3.90	2.62	2.62	Through Implementing Partner
3	Mamta Health Institute For Mother & Child, Mobile Creches For Working Mothers Child	Improving the quality of education and health care	Chennai and Noida	0.57	0.57	0.57	Through Implementing Partner
4	Child In Need Institute, Community Health Education Society, Desire Society, GLRA, Saint Hardayal Educational And Orphans Welfare Society, SIP Memorial Trust, Sneha Care Home, The Banyan, Youth Health Mela,Cancer Institute (Wia), Blue Cross of India	Health care and medical facilities	West Bengal, Chennai, Hyderabad, Delhi, Bangalore	2.58	1.94	1.94	Through Implementing Partner

S. No.	CSR Project or activity identified - NGO Partner / Direct implementation	Sector in which project is covered	Projects or Programs (1) Local area or other (2) specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or program wise (₹ / crores)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads (₹/ crores)	Cumulative expenditure upto the reporting period (₹ / crores)	Amount spent: Direct or through implementing agency (₹/ crores)
5	Caritas India, Kaziranga Multipurpose Woman Society	Improving the health care and education for the people affected in disaster	Assam, Bihar, Guwahati	0.44	0.33	0.33	Through Implementing Partner
6	Aide Et Action(India), Ramakrishna Mission Students Home, Rural Development Council, Sahyog Care For You, After school coaching centers, skill development training, IT Labs, health care and sanitation	Improving the quality of education, health care and livelihood enhancement Programme	Bangalore, Chennai, Delhi, Madurai, Lucknow, Noida	5.17	3.67	3.67	Through Implementing Partner, Through HCL Foundation
7	Ankur Yuva Chetna Shivir, Bal Vikas Dhara	Improving the quality of education with focus on digital literacy and prevention of Child sexual abuse	Chennai, Noida, Lucknow	0.27	0.25	0.25	Through Implementing Partner
8	Gujrat Mahila Housing Trust	Improving the health, sanitation and hygiene	Noida	0.07	0.07	0.07	Through Implementing Partner
9	WASHi	Water, sanitation and Hygiene	Madurai, Noida, Lucknow	0.43	0.41	0.41	Through Implementing Partner
10	Foundation For Ecological Security	Environment	Gujarat, Rajasthan, Karnataka, Gujarat, Andhra Pradesh, Odisha	1.56	1.56	1.56	Through Implementing Partner
11	EFRAH	Livelihood enhancement Programme	Delhi, Noida	0.52	0.52	0.52	Through Implementing Partner
12	Project Samuday	Rural Development	Uttar Pradesh	113.96	25.92	25.92	Through HCL Foundation
13	Relief, Restoration and rehabilitation	Humanitarian Response	Chennai	0.72	0.45	0.45	Through HCL Foundation
14	Grant Selection Process, Power of One	Screening for Grant Awardees and for Scholarships		1.77	1.43	1.43	Through HCL Foundation
15	Consultancy expenses	Consultancy expenses		0.24	0.17	0.17	Through HCL Foundation
16	Overhead expenses	Administration expenses		0.31	0.31	0.31	Through HCL Foundation
GRAND TOTAL				**133.41**	**40.96**	**40.96**	

Notes:

1. *The Company undertakes CSR activities through HCL Foundation, a Trust established by the Company and through implementing agencies. During the year, the Company has contributed ₹38.52 crores for CSR activities. In addition, the Company has contributed ₹ 0.45 crore for disaster relief for Chennai floods. The Trust, apart from Company's contribution, also collected contribution from others to the extent of ₹ 2.30 crores and earned interest of ₹ 0.02 crore on savings bank account. The total amount spent towards CSR and other charitable activities during the year was ₹ 40.96 crores. The Cash / other advance balances as on April 1, 2016, and March 31, 2017 with HCL Foundation were ₹ 0.47 crore and ₹ 0.80 crore respectively.*

2. *During the financial year 2016-17, an amount of ₹ 1.15 crores was spent on CSR activities by Geometric Limited, whose business undertaking (relating to IT enabled engineering services, Product Lifecycle Management services and engineering design productivity software tools) was merged to the Company pursuant to the Composite Scheme of Arrangement and Amalgamation (the "Scheme"). The details of the Scheme are provided in the Directors' Report.*

6. Since the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company provides the below reasons for not spending the amount.

   The Company has approached the mandatory requirements of CSR spend positively by utilizing the reporting year to lay a foundation on which to build and scale future projects and partnerships for CSR activities. The Company has primarily identified five main segments: education, healthcare, community, art and culture, and rural development for CSR expenditure and has developed its own model to bring an optimal social impact. During the year, the Company has spent ₹ 38.52 crores on its CSR activities. The projects undertaken by the Company were of long gestation period thus resulting in lesser utilization of earmarked budget for the current financial year. Your Company is in continuous process of evaluating strategic avenues for CSR expenditure. As a socially responsible company, your Company is committed to increase its CSR impact over the coming years, with its aim of playing a larger role in India's sustainable development by embedding wider economic, social and environmental objectives.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

   We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company.

C. Vijayakumar
President and Chief Executive Officer

Roshni Nadar Malhotra
Chairperson, Corporate Social Responsibility Committee

Place: Noida, U.P., India
Date: May 11, 2017

Annexure - 5 to the Directors' Report

Particulars pursuant to section 134 (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014

A) CONSERVATION OF ENERGY

Renew Ecosystem

Being a responsible corporate, HCL Technologies through its "Environmental Policy" has made a commitment to conserve the environment by adopting "Go Green Initiatives". Many initiatives have been undertaken to reduce environmental impact arising out of our business activities.

To conserve the environment by adopting "Go Green Initiatives" and increase operational efficiency, the initiatives and Good Practices attributing towards reduction in carbon foot print during FY 16-17 are described below:-

1. Conventional Lighting Setup replacement with LED Lighting

- Solution Approach / Remedial Action Solution Approach / Remedial Action - In all major SEZ Locations, various types of lighting fixtures were existed and maintained as per the usage pattern. Some of the lighting fixtures were conventional and obsolete with the fast evolving lighting technologies.
- Replacement of all the existing conventional lighting fixtures with more efficient LED lighting worked out & executed. In comparison to CFL, LED has lot of advantages, for example,
  - LED uses less power for same lumen output as given by CFL
  - Life of LED lights is 10 times more than CFL
  - LED lighting generates less heat than CFL
  - LED does not contain Mercury or other toxic heavy metals
  - LED does not emit UV radiation
  - One of the reputed international brands shortlisted to implement this cost saving solution based on performance contracting for all 3 SEZ Locations (i.e. Noida, Bangalore & Chennai).

Benefits –
In FY 16-17, Organization has saved 2,406 MWH of absolute energy consumption which helped us to reduce 2,310 tCO_2e* (Ton of Carbon Emission).

2. Chiller & AHU Operational Performance Improvement

Solution Approach / Remedial Action - During the study different mode of operation was observed within the installed AHU units and many of the AHUs were being single constant speed units in SEZ Noida, which resulting in more energy consumption.

Solution worked out and implemented for all such devices with the installation of VFDs including low side automation wherever feasible. This is not only optimizing usage of the equipment also reducing the heat load at chiller end. One of the reputed international Brands was shortlisted to implement the energy cost saving solution on performance contracting.

Benefits –
In FY 16-17, Organization has saved 1,815 MWH of absolute energy consumption which helped us to reduce 1,742 tCO_2e* (Ton of Carbon Emission).

3. Auto Condenser Cleaning in Chillers

Solution Approach / Remedial Action - During study it was observed that rate of deposition at the condenser of chillers is on higher side over a period of time due to alkaline properties of water and its effect is being rippled across on the efficiency of the chiller.

Auto Condenser cleaning system for chillers worked out which have automatic ball injection system at periodic intervals. This auto cleaning technology doesn't allow the deposition to take place thus improving the performance of the equipment and optimize the energy consumption.

One of the reputed international Brands shortlisted to implement the energy cost saving solution on performance contracting for air conditioning system installed at Noida SEZ Campus.

Impact –
- This intervention will enable the organisation to save Annualised energy in terms of units is 103 MWH.
- Total Annualized reduction on carbon footprint estimated is 99 tCO_2e* (Ton of Carbon Emission).
- Increase in operational efficiency.

4. **Renewable Power Purchase**

In continuation with our commitment to reduce carbon footprint by 33% by FY 2020, we have procured Green Power equal to 10,967 MWH for our centers during April'16 to March'17 period.

The source of this power was in hydro, wind and solar-based electricity. Green Power Purchase has enabled the organisation to reduce carbon footprint of 10,528 tCO_2e* (Ton of Carbon Emission) over other available power resources like Grid and Captive.

5. **Solar Roof Top Installation at Manesar, Gurgaon**

60 kWp Grid Connected Solar Roof Top Installed in March 2017 & in Use:

- This implementation will enable the organisation to use 90 MWH Annual generation from Solar Panels.
- Total Annualized reduction on carbon footprint estimated is 86 tCO_2e* (Ton of Carbon Emission) over other available power resources like Grid and Captive.

6. **Solar Roof Top Installation at SEZ Bangalore**

50 kWp Grid Connected Solar Roof Top Installed and will be in use from May 2017.

- One-time capital expenditure incurred towards this intervention is ₹ 0.47 Crore.
- This implementation has enabled the organisation to use 72 MWH Annual generations from Solar Panels.

Total Annualized reduction on carbon footprint estimated is 69 tCO_2* over other available power resources like Grid and Captive.

7. **Other Energy saving interventions**

To conserve the environment by adopting "Go Green Initiatives" and increase operational efficiency there are other initiatives undertaken and also attributing towards reduction in carbon foot print as captured below: -

Other Energy Optimization Interventions	Reduction in Carbon foot print (tCo_2*) during Apr'16-Mar'17 Period
Effective Utilization of UPS	456
Revised operating conditions for DC cooling	105
Revised Temperature settings for Work areas	242

** Conversion reference Grid Emission Factors - CO2 Baseline Database for the Indian Power Sector*

8. **Energy saving measures in Campus Designs**

Energy saving and adhering to maximum green buildings norms is the basis of designs of all our campus construction across all locations in India which includes our Bangalore, Chennai, Noida, Lucknow and Madurai & Nagpur which are currently under construction.

All buildings are designed and oriented to maximize daylight and minimize heat gain which has an impact on usage of electrical power both on lighting and air conditioning. Hence, most buildings are now being built on a North-South axis with most glazed areas in north and solid surfaces such as services and staircases oriented in west or south west.

In all MEP services many energy saving steps are incorporated in the design which are described here under:

Electrical and Lighting:

- LED lights are only being used now in all areas including ODCs and common areas as well as the basements. As within LED suppliers also there is a variation in terms of energy consumption, these have been selected on basis of Light-power density (LPD) to minimize power consumption. We have achieved a LPD of 0.39 watts per Sq.ft to 0.42 watts per Sq.ft. as against industry pattern which varies from 0.50 W / Sq.ft. to 0.80 w / Sq.ft .
- Daylight harvesting sensors have been installed in all ODCs which reduces power consumption by dimming the light by sensing the intensity of sunlight. For example, a light fixtures which is designed for 350 lux, will operate at only 200 lux if the daylight is at 150 lux, thereby reducing power consumption by 25 to 30 percent.
- Motion sensors which operate on the basis of occupancy and movement are installed in most areas which results in optimum usage of lights and results in energy saving.
- IGBT technology UPS are being used instead of SCR based UPSs.
- High Fuel efficiency DG sets are installed in all campuses which consume 10% less diesel per unit, thereby reducing carbon foot print.
- Roof top solar panels have been installed in

Chennai which is producing 900 KW power. In other campuses solar power is being used for heated water requirements in the café kitchens.

Heating Ventilation and Air conditioning:

- Water cooled chillers are installed at most locations which consume lesser power than air cooled chillers, only in case of water deficit areas, air cooled chillers are installed. In addition, energy saving secondary pumps which pump the chilled water to the building are being used.

- VFDs (variable frequency drives) are being used in all AHUs which results in lower power consumption by regulating the frequency of the motor (Speed) depending on the return air temperature which is an indicator of the occupancy and heat load.

- VRF units are being used in all IT related rooms for post peak time operations and during working hours floor AHUs are used to cool these areas.

- Heat Recovery wheels (HRW) are installed at all locations which mix the cooler exhausted air from the air conditioned areas with fresh air (which is mostly at a much higher temperature for the fresh air requirements of the system) which results in lowering the chilled water consumption and thereby optimizing Chiller usage and electricity.

- Winter cooling system is installed in Noida campus which uses the cooler ambient fresh air to cool the building.

B) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

Your Company's core business demands adoption of emerging technologies to stay ahead of competition. Your Company has made significant investments in area of Digital Transformation which is building persona based Digital Solutions in the area of Processes, Analytics and Digital Workplace of the future. Your Company is also enhancing experience on core services through a program called 'Foundation for Digital'.

Your Company has built Digital Solutions to bring Operational efficiencies and reduce cycle time in the area of Talent Management and Development, Talent Supply Chain Optimization and increase collaboration to foster innovation.

Technology absorption at HCL

Your Company is in a multi-year IT transformation journey centered around the following key themes:

1. A comprehensive Best-in-class Digital Strategy which is a benchmark for the customers.

2. Standardization of Processes, Applications and Business Metrics to run the business. This includes elimination of line of business (LOB) specific solutions wherever applicable.

3. Adoption of nexus of SMAC forces to solve persona specific enterprise use cases.

4. Resilient, Secure and Highly Available IT Infrastructure.

Enterprise application landscape in the Company has more than 150+ closely integrated applications centrally hosted in multiple data centers and a backend SAP platform. As part of the strategic agenda, your Company is driving transformation in its key business processes to impact business productivity and performance. Over last couple of years, the Company has taken a huge simplification drive to rationalize its IT Application landscape and adopted SaaS model to move these application footprints to Cloud to drive business agility and scalable deployment while assimilating industry best practices and innovations in the process.

Digital @HCL

Your Company has started an integrated program to drive end user and team productivity and enhance experience with a digital workplace of the future leveraging relevant technology footprints that ensure collaborative employee engagement and insightful contribution towards enrichment of business processes, capabilities and collaboration. Various persona specific enterprise asks were identified through detailed discovery sessions and solution tracks were formed to provide comprehensive solution touch points encompassing process, workplace and analytics capability interventions for Sales, Delivery and Customer Persona.

Platforms of Competitive Differentiation

Sales Transformation is driven through a Digital Platform called 'Merlin' enabled with integrated State of art Systems, Analytics and Workplace of the Future capabilities with persona specific simplified user experience to drive higher productivity and performance.

Delivery transformation project is driven through a platform called “Symphony”. Pain points of Delivery specific personas are addressed using this integrated solution which provide end to end transaction visibility and actionability to drive delivery excellence and productivity. 6+ key processes are integrated in this single platform.

New data visualization self-service solution is rolled out for enabling actionable insights and decision support for senior management. Now as empowered users, they can create business scenarios and review the forecast under various use cases and thus can take informed decisions on the go.

Digital Marketing Solutions are rolled out across LOBs to track campaign and lead management effectively and integrated with opportunity management. Moreover, a unified analytics platform is being envisaged for end to end tracking and analytics of digital footprints of HCL.

Your Company has also made significant investments in the area of Talent Supply Chain Optimization, Employee Goals and Performance Management, On boarding and Learning Management Systems. The opportunity management to revenue forecasting tools are further reengineered to provide business insights for entire ‘Deal to Book to Bill’ management. Your Company has also adopted learning and search automation tools to re-envisage talent fulfillment processes.

Apart from this, your Company has decided to move the System of records from traditional SAP to on S4 HANA platform. P2P transformation project along with deal sheet automation initiatives are being driven. All these are very impactful individual projects. However, their combined strength in an integrated manner will impact the business operations more than sum of its parts.

HCL Go-Mobile! program

A major part of employee transactions is mobile enabled now. Currently most of the Company’s workforce actively uses the internal mobile apps to conduct business while “On-The-Go”. These apps are developed around employee approvals, transactions and analytics. Mobile device management and application management layers are also deployed. This deployment has garnered us recognition from both our clients and external agencies. Team is also exploring use cases for bot based solution at enterprise level.

Cloud Adoption

Your Company is increasingly moving to Cloud IaaS (Infrastructure as a Service) for both internal Corporate and Customer Delivery needs and moved away from investing in dedicated infrastructure. This has also resulted in reduced cycle times and higher utilization of infrastructure resources. Several proofs of concepts are done to move more workloads on multiple Public cloud offering in Hybrid cloud implementation setup and same is made available for business for consumption.

Digital Workplace for Future

Your Company has also adopted O365 productivity suite for moving email to the cloud for majority of employee mailboxes with disaster recovery and archival capabilities. New workloads / capabilities of O365 suite for personal productivity are being rolled out to entire HCL population in a phased manner in next 6 months.

Your Company has explored the hot seating concept so that employee productivity is not limited by his / her physical access. ISE solution for Network Access Control is deployed successfully in few ODCs as pilot and same will be rolled out to entire mobile workforce in next year. Apart from enhancing employee productivity and facility utilization, this will provide flexibility to handle crisis situations and BCP scenarios as well.

Your Company has also automated key IT support use cases in form of IVR driven self-service capabilities. This self-service catalogue is further being augmented by NLP and voice recognition technologies.

Improved Resilience and Security posture

Your Company has further strengthened the IT base line controls in its environment with tight sustenance targets around disk encryption, Data Leak Prevention, Operating System and antivirus patch updates. All shared infrastructure and isolated instances are reviewed and responsibility for controls and compliances is established. With this, scope of IT baseline is further increased to customer specific ODCs, wherever applicable.

Moreover, security posture is further improved with investments in Network access controls(NAC), adaptive authentication, Wireless IPS and elimination of Single Point of Failures (SPOFs). Critical Delivery sites are enabled with next generation security infrastructure like Distributed Denial of Services (DDOS), web and endpoint protection against advance persistent threats etc.

Virtualization and consolidation

Your Company has augmented its internal private cloud capacity. Currently, virtual machines are provisioned in active mode and any new workload requirement is being provisioned following ‘Cloud First’ strategy. Public cloud offerings are seamlessly provisioned from integrated cloud portal. Enterprise storage landscape is being consolidated at hub locations. Internally, the Company offers different VDI configuration to cater to diverse engagement needs. All new requirements for end user computing (including growth and refresh) is being managed effectively by Virtual Desktops. Nearly, 30% of your Company desktop landscape is fully virtualized now.

Collaboration

Edna-The Experts Discovery, Nurture and Actualize Program is a Microsoft Lync enabled instant messaging service to unlock knowledge and simplifying information exchange with experts in different technologies or with specific domain knowledge. The Company’s employees seamlessly collaborate in real time with 10,000+ experts 24 / 7 making it the most sought after high priority change management channel in the organization.

Over the last five years, Good Practice Conference (GPC) has emerged as a primary platform for knowledge building and sharing of most adoptable Good Practices. This year, your Company has seen a tremendous increase in best practices submissions with significant contributions in the area of innovation and continuous improvement.

Risk and Compliance

Your Company has made significant investments in the area of Operational risk management, DR / BCP, Privacy, Export Compliance, and Third party risk management in establishing new policies, frameworks, and people capabilities.

C) RESEARCH AND DEVELOPMENT (“R&D”)

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

- Enriched HCL’s IOT device enabling platform by adding features like device management, GPS, 3G / GSM modem, camera support etc.
- Developed a POC to automate efforts in porting software from windows embedded / CE to Windows 10 IoT Core.
- Methods to optimize different lifecycle processes through data analytics using machine learning, natural language processing, optimization, forecasting and other data mining algorithms.
- Methods to improve customer experience by automating support processes via natural language bots, Q & A systems, multi lingual knowledge access.
- Deploy analytical models on edge devices like Gateways.
- Fly data slicing and dicing from cross data source types.
- Analytics workbench to operationalize analytics faster.
- Automatic identification of specific relatives in Time-Wave data.
- Create custom PMML to support neural network algorithms for models portability.
- PLM Analytics.
- BOT creation for Software Engineering processes automation to optimize the core SDLC activities with minimal skills required.
- Test Automation to generate automation test scripts for different types of applications like Web, Desktop, Mobile, embedded applications from test cases written using keywords.
- Rapid application development with code generation using custom built drag and drop framework and tools.
- Introducing automation in manual testing projects.
- Increasing the test coverage and percentage of automation in device testing to reduce time, cost and efforts.
- OCR quality improvement and enhancement, language additions.
- Exploring different methods and types of testing in Image Capture and Comparison (using intrusive and non-intrusive method), Embedded ATSG - Automatic Test Script Generation / ATCG - Automatic Test Case Generation, keyboard and mouse simulator and robotic arms.

(ii) Benefits Derived:

- Helped in winning some strategic IoT projects from HCL’s global customers.
- Improved productivity, quality and initial response time.
- Usage of IP to accelerate customer projects.

- Were able to demonstrate capability in Vehicle 2 Vehicle communications, 77 GHz Automotive radar domains to prospective customers.
- Improve the quality of code developed by automating the source code review process and enabling tracking of the review issues to individual developers.
- Ensure traceability of code changes, to facilitate deep learning and application of analytics, by enforcing it as a gating process during code check.
- Rapid application development reduced delivery timelines for complex projects, increased winnability in competition scenarios and led to significant margin improvements in IP leveraged projects.
- Reduced the effort and time invested in manual testing using automation and improved test quality, coverage and accuracy.
- Provided single automation framework for geo-specific embedded application using OCR.
- A framework called TAF ATSG has been developed from extensive research, which is available for deployment for delivery teams to:
    - o Increase productivity and reduced timelines in creating test automation scripts in ongoing projects,
    - o Help provide additional value add in multiple customer propositions to become competitive w.r.t competition,
    - o Enable testers without automation skills to develop automation scripts, and
    - o Filing of patents in the area.

(iii) Future Action Plan:

- Work on new analytical use cases to optimize product support / engineering such as knowledge extraction, management and utilization, methods to identify defects early in defect cycle, reduce trouble shooting time, utilizing knowledge available on different languages, methods to help customers to solve their queries and issues via self-service.
- R&D in prescriptive and cognitive analytics.
- Automate more engineering activities such as validate defect report, defect localization, process audit, using Cognitive technologies.
- Prediction analytics on rotating equipment, fail safe systems.
- On-board edge analytics in analytics workbench to operationalize edge analytics.
- Service enablement of analytics predictions.
- Deep learning based analytics.
- License sell of IP to customers.
- Development of BOTs targeting core engineering processes to cover 10 – 30% of the day to day activities of engineers.
- Development of self-service BOT development studio to equip engagements to become more efficient.
- End-to-end delivery, integrated build, deployment and hosting of projects using drag and drop.
- Explore video and audio quality automation testing which can lead to new business areas.
- Effort investment on new features like Automation Unit Testing, ATCG / ATSG, Smart Device Testing, Development level testing, etc. development which can lead to new business areas.
- Support for more test engines and languages to increase applicability for a wider range of customers.
- Automate the creation of test scripts from existing test cases by (semi)automated migration to the new test case formats, to bring projects in sustenance mode into scope.
- Automation of other elements of test automation, like UI element identification, test data creation to increase the level of automation.
- Increase the scope to cover non-functional testing areas.

(iv) Expenditure on R&D for the years ended March 31, 2017 and March 31, 2016 are as follows:

(₹ in crores)

Particulars	Year ended	
	March 31, 2017	March 31, 2016
Revenue expenditure	114.89	102.62
Capital expenditure	-	-
Total R&D expenditure	**114.89**	**102.62**
R&D expenditure as a percentage of revenues	**0.59**	**0.76**

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 exports. During the year, your Company has set up 2 step down subsidiaries and has acquired 6 subsidiaries and 9 branches from Geometric across the globe to enhance its business. The various global offices of the Company are staffed with sales and marketing specialists, who promote and sell services to large international clients.

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

(₹ in crores)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Foreign exchange earnings	**19,545.03**	**11,625.13**
Foreign exchange outgo		
- Expenditure in foreign currency	2,164.33	1,236.42
- CIF value of imports		
Capital goods	208.84	95.14
Others	19.08	70.67
- Dividend remitted in foreign currency	575.56	383.82
	2,967.81	**1,786.05**

For and on behalf of the Board of Directors

SHIV NADAR
Chairman and Chief Strategy Officer

Place: Noida (U.P.), India
Date: May 11, 2017

Annexure - 6 to the Directors' Report

Directors' Responsibility Statement as required under section 134(3)(c) of the Companies Act, 2013:

a) 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, 2013 to the extent applicable to the Company. There have been no material departures from prescribed accounting standards while preparing these financial statements;

b) 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 March 31, 2017 and the profit of the Company for the year ended on that date;

c) 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, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) The annual accounts have been prepared on the historical cost convention, as a going concern and on the accrual basis;

e) The Board of Directors has laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

f) The Board of Directors has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

For and on behalf of the Board of Directors

Place: Noida (U.P.), India
Date: May 11, 2017

SHIV NADAR
Chairman and Chief Strategy Officer

Annexure - 7 to the Directors' Report
DETAILS ON STOCK OPTION PLANS

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

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

Each option granted under the 1999 Plan, 2000 Plan and 2004 Plan, entitles the holder to four equity shares of the company. The Company issued bonus shares in the proportion of one equity share of ₹2 held by the equity shareholders of the Company on a record date of March 20, 2015 .Post this , the entitlement of the Stock Option holders increased to 8 equity shares of ₹ 2 each against each option exercised.

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	Date of Shareholders approval	13-Sep-1999	20-Oct-2000	17-Dec-2004
2	Total number of options granted (gross)	26,600,874	17,747,401	8,424,132
3	The pricing formula	Market price / internal valuation	Market price	Market price / price determined by Nomination & Remuneration Committee
4	Number of options vested	17,529,862	10,466,138	5,820,927
5	Number of options exercised	13,957,786	7,470,809	5,535,574
6	Total number of shares arising as a result of exercise of options	111,662,288	59,766,472	44,284,592
7	Number of options lapsed & Forfeited	12,643,088	10,276,592	2,704,643
8	Variation in terms of options	None	None	None
9	Money realized by exercise of options (₹ crores)	516.19	434.43	14.14
10	**Total number of options in force as on March 31, 2017**	**-**	**-**	**183,915**
11	Grant to Senior Management			
	Number of Options	1,967,175	254,904	2,987,600
	Source of Shares	Combination	Combination	Primary
	Vesting Period	110 Months	104 Months	96 Months
	Vesting Requirements	Service Period / Company's Performance on the basis of consolidated financial statements		

The diluted earnings per share were ₹ 48.13 and ₹ 33.43 for the fiscal years ended March 31, 2017 and March 31, 2016 respectively.

Details of Stock Option Plans for the year ended March 31, 2017			
Particulars	**1999 Plan**	**2000 Plan**	**2004 Plan**
Total number of options outstanding as on April 1, 2016	**-**	**-**	**460,147**
Number of options granted during the year	-	-	-
Pricing formula	Market price / internal valuation	Market price	Market price / price determined by Nomination & Remuneration Committee
Number of options vested during the year	-	-	-
Number of options exercised during the year	-	-	104,835
Total number of shares arising as a result of exercise of options during the year	-	-	838,680
Number of options lapsed & Forfeited during the year	-	-	171,397
Variation in terms of options	None	None	None
Money realised by exercise of options during the year (₹ crores)	-	-	0.17
Total number of options in force as on March 31, 2017	**-**	**-**	**183,915**
Total number of options exercisable as on March 31, 2017	-	-	**176,715**
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.	N.A.
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.	N.A.
Weighted average fair value of options granted below market price (₹)	N.A.	N.A.	N.A.
Method and significant assumptions used during the year to estimate the fair values of options			
Method	**Black schole**	**Black schole**	**Black schole**
Significant assumptions			
Risk free interest rate	7.80%	7.80%	7.80%
Expected life	upto 56 months	upto 56 months	upto 56 months
Expected Volatility	30.80%	30.80%	30.80%
Expected Dividend	2.02%	2.02%	2.02%
The price of the underlying options in market at the time of grant (₹)	N.A.	N.A.	N.A.
Determination of expected volatility	The expected term of the ESOP is estimated based on the vesting term and contractual term of the ESOP. Expected volatility during the expected term of the ESOP is based on historical volatility of the observed market prices of the Company's publically traded equity shares during a period equivalent to the expected term of the ESOP.		

Pre IPO Details of Stock Option Plan	
Particulars	**As on March 31, 2017 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 March 31, 2017	**-**
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%

Employee Compensation Cost based on fair value of the options		
Particulars		**Year ended March 31, 2017** (₹ Crores)
Net income, as reported		**7,278.28**
Add: Stock-based employee compensation expense included in reported net income		Nil
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards		Nil
Proforma net income		**7,278.28**
Earnings per share		₹
As reported	- Basic	48.18
	- Diluted	48.13
Adjusted pro forma	- Basic	48.18
	- Diluted	48.13
Method and significant assumptions used during the year to estimate the fair values of options		Black-Scholes Method
Significant assumptions		
Dividend yield %		2.02%
Expected life		upto 56 months
Risk free interest rates		7.80%
Volatility		30.80%

Details of options granted to Senior Managerial Personnel of the Company during the year ended March 31, 2017
None
Details of options granted to employees amounting to 5% or more of the options granted during the year ended March 31, 2017
None
Details of options granted to employees during the year ended March 31, 2017, 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

Place: Noida (UP), India
Date: May 11, 2017

Shiv Nadar
Chairman and Chief Strategy Officer

Annexure - 8 to the Directors' Report

Information as per Rule 5(2) of Chapter XIII, the Companies(Appointment and Remuneration of Managerial Personnel) Rules, 2014

A. List of top ten employees in terms of remuneration received during FY 2016-17

Name	Age	Designation	Educational Qualification	Remuneration Received during the year (₹)	Date of Joining	Experience in Years	Previous Employment	Designation held in previous appointment	Previous employment held since
Shiv Nadar	72	Chairman and Chief Strategy Officer	Electrical Engineer	103,005,523	13.09.1999	48	HCL Infosystems Limited	Whole-Time Director & CEO	Aug, 1987
Anant Gupta	52	President & Chief Executive Officer	M.Sc. (Engineering)	69,666,893	25.07.2012	29	HCL Comnet Systems & Services Ltd.	President	Nov, 1993
Anil Kumar Chanana	59	Chief Financial Officer	CA	53,241,020	01.10.1998	36	HCL Technologies America Inc.	Executive Vice President	Dec, 1985
Prithvi Harkirat Singh	50	Chief Human Resources Officer	MBA	39,663,519	19.04.2012	27	Accenture Services Pvt. Ltd.	Partner - Human Resources	Jan, 2004
Ajit Krishnankutty Kumar	53	President - Systems Integration & Appln. Delivery	MBA - Marketing	25,673,417	01.07.2013	29	Accenture Services Pvt. Ltd.	Managing Director	June, 1988
Rajiv Mahajan	57	Sr. Vice President & Director - Infrastructure Projects	BE (Hons.) - Civil, M.Sc. (Hons.) - Economics	19,262,419	22.11.2010	32	Advance India Projects Ltd.	President - Projects	Jan, 2010
Manoj Kumbhat	50	Senior Vice President & CIO	MBA - Finance	18,970,760	28.03.2012	23	PepsiCo Foods Pvt. Ltd.	CIO	Mar, 2006
Ramana SV	53	Senior Vice President	B.Tech - Electronics & Communications	18,218,070	08.01.2015	29	Genpact India	Senior Vice President	Feb, 2000
Gade Hanumantha Rao	59	President - Engg. And R&D Services	B.Tech - Electronics	15,708,323	01.07.1996	36	HCL Hewlett Packard Ltd.	Senior Manager - R&D	Nov, 1980
Amit Roy	58	Executive Vice President - Taxation	CA	15,300,363	16.07.2007	33	Samsung India Electronics Pvt.Ltd.	Vice President - Taxation	Sep, 2006

Information as per Rule 5(2) of Chapter XIII, the Companies(Appointment and Remuneration of Managerial Personnel) Rules, 2014

B. EMPLOYED FOR FULL FINANCIAL YEAR - 2016-17

Name	Age	Designation	Educational Qualification	Remuneration Received during the year (₹)	Date of Joining	Experi-ence in Years	Previous Employment	Designation held in previous appointment	Previous employment held since
Ajit Krishnankutty Kumar	53	President - Systems Integration & Appln. Delivery	MBA - Marketing	25,673,417	01.07.2013	29	Accenture Services Pvt. Ltd.	Managing Director	Jun, 1988
Amit Roy	58	Executive Vice President - Taxation	CA	15,300,363	16.07.2007	33	Samsung India Electronics Pvt.Ltd.	Vice President - Taxation	Sep, 2006
Anil Kumar Chanana	59	Chief Financial Officer	CA	53,241,020	01.10.1998	36	HCL Technologies America Inc.	Executive Vice President	Dec, 1985
Apparao V. V.	55	Corporate Vice President - BFSI Delivery	B.Tech, M.Tech	11,616,385	10.03.2003	33	Ascend Technologies Ltd.	Director / Center Head	Aug, 1996
Apurva Chamaria	38	Vice President	MBA - Marketing	11,450,581	30.08.2005	16	Ranbaxy Laboratories Ltd.	Manager - Marketing	Jun, 2003
Gade Hanumantha Rao	59	President - Engg. and R&D Services	B.Tech - Electronics	15,708,323	01.07.1996	36	HCL Hewlett Packard Ltd.	Senior Manager - R&D	Nov, 1980
Harsha Haridas Pai	43	Vice President	PGDBA - Finance	11,196,375	03.11.2014	23	WNS Global Services Pvt. Ltd.	Corporate Svp	Oct, 2012
Maninder Singh Narang	47	Corp. Vice President - Infra Delivery, APMEA / Europe	PGD - Marketing Management	11,113,832	21.08.1995	27	FUJITSU ICIM LTD.	Major Account Manager	Feb, 1992
Mathew George	49	Executive Vice President	CA	11,291,965	02.05.2013	23	Cognizant Technology Solutions India Pvt. Ltd.	Director - Consulting	Oct, 2011
Prahlad Rai Bansal	60	Deputy Chief Financial Officer	CA	15,266,034	30.08.2000	38	HCL America Inc.	Vice President	Nov, 1997
Prateek Aggarwal	50	Executive Vice President	MBA - Finance	14,068,509	01.10.2012	26	Hexaware Technologies Ltd.	Chief Financial Officer	Jun, 2008
Prithvi Harkirat Singh	50	Chief Human Resources Officer	MBA	39,663,519	19.04.2012	27	Accenture Services Pvt. Ltd.	Partner - Human Resources	Jan, 2004
Rajesh Gupta	57	Vice President - Taxation	CA	10,869,035	17.03.2010	31	JSL Limited	Vice President - Taxation	May, 2009
Rajiv Mahajan	57	Sr. Vice President & Director - Infrastructure Projects	BE (Hons.) - Civil, M.Sc. (Hons.) - Economics	19,262,419	22.11.2010	32	Advance India Projects Ltd.	President - Projects	Jan, 2010
Rajiv Sodhi	58	Sr. Corporate Vice President - Delivery Initiatives & Customer Advocasy	B.Tech, MBA - Marketing	10,580,915	24.07.1997	36	Tata Consultancy Services Ltd.	Manager - Systems	Aug, 1981
Ramana S.V.	53	Senior Vice President	B.Tech - Electronics & Communications	18,218,070	08.01.2015	29	Genpact India	Senior Vice President	Feb, 2000

Name	Age	Designation	Educational Qualification	Remuneration Received during the year (₹)	Date of Joining	Experi-ence in Years	Previous Employment	Designation held in previous appointment	Previous employment held since
Rangarajan Vijayaraghavan	52	Senior Vice President	MA	10,227,529	22.05.2009	30	Satyam Computer Services Ltd.	Vice President	May, 1999
Shiv Nadar	72	Chairman and Chief Strategy Officer	Electrical Engineer	103,005,523	13.09.1999	47	HCL Infosystems Limited	Whole-Time Director & CEO	Aug, 1987
Srimathi Shivashankar	49	Joint Program Director - New Vistas	MBA - Business Administration	10,257,402	01.12.2010	25	Infosys Ltd.	Senior Lead -Diversity	Jan, 2003
Subrat Chakravarty	49	Senior Vice President	PGD - Personnel Management	11,357,194	03.09.2015	23	BirlaSoft India Ltd.	Chief People Officer	Jun, 2013
Varanasi Guru Venkata Subbaraya Sharma	53	Senior Vice President	ICWA	12,516,122	24.01.2011	30	ATG Tires Pvt. Ltd.	VP-Internal Audit	Jun, 2010
Vikrant Gupta	42	Vice President	PGDBA - Human Resource Management	12,930,128	01.06.2015	19	Accenture Services Pvt. Ltd.	Vice President - HR	Sep, 2006
Vineet Vedprakash Sood	50	Executive Vice President - Treasury	ICWA	12,063,087	25.11.2010	26	Tata Consultancy Services Ltd.	Treasurer	Mar, 2006

C. EMPLOYED FOR PART OF THE FINANCIAL YEAR - 2016-17

Name	Age	Designation	Educational Qualification	Remuneration Received during the year (₹)	Date of Joining	Experi-ence in Years	Previous Employment	Designation held in previous appointment	Previous employment held since
Anant Gupta	52	President & Chief Executive Officer	M.Sc. (Engineering)	69,666,893	25.07.2012	29	HCL Comnet Systems & Services Ltd.	President	Nov, 1993
Anjan Kumar Mukherjee	42	Vice President	B.Sc. - Computer Science	2,667,950	01.11.1999	21	Asmocons Internet Services	Web Designer & Developer	Dec, 1997
Arjun Raghunathan	60	Global Technology Director	M.Tech - Computer Science	2,956,275	01.03.2008	36	HCL Hewlett-Packard Ltd.	Manager - R&D	Aug, 1981
Ashok Radhakrishnan	56	Senior Vice President	MBA - Strategy Management	12,732,109	10.10.2013	32	ISG Novasoft Technologies Ltd.	COO	Aug, 2007
B Kalyan Kumar	41	Executive Vice President	B.Tech. - Production	3,424,810	01.08.2013	20	HCL Comnet Ltd.	Vice President & Chief Technologist Architect - ISD	Sep, 2000
Krishnan Chatterjee	45	Senior Vice President	MBA - Marketing	4,137,303	01.12.2004	22	ITC Limited	Project Head	Jun, 1995
Makarand Vitthal Teje	51	Executive Vice President	Master of Management Studies - Marketing	5,006,434	16.02.2015	26	Capegemini India Pvt. Ltd.	Sr. Vice President	Feb, 2011

Name	Age	Designation	Educational Qualification	Remuneration Received during the year (₹)	Date of Joining	Experi-ence in Years	Previous Employment	Designation held in previous appointment	Previous employment held since
Manoj Kumbhat	50	Senior Vice President & CIO	MBA - Finance	18,970,760	28.03.2012	23	PepsiCo Foods Pvt. Ltd.	CIO	Mar, 2006
Napolean Periyakaruppan Chanthachalam	51	Associate Vice President	B.E.- Computer Science	1,187,207	08.09.1997	29	MMTC Ltd.	Manager	Feb, 1991
Nitin Pande	46	Senior VP - HR Advisory & Employee Services	MBA - Personnel, HR & IR	8,173,005	20.06.2005	24	Office Tiger Database Systems India Pvt.Ltd.	Associate Vice President - HR	Apr, 2004
Rajnesh Avtar	49	Vice President	MBA - Technology Management	1,587,498	31.07.2006	27	Hewlett-Packard	Sr. Software Manager	May, 1995
Sanjeev Nikore	57	President - APMEA, India Business & Sr. Corp. Vice President - Strategic Engagement	MBA	5,228,102	03.09.2012	35	HCL Great Britain Ltd.	Sr. Corporate Vice President	Sep, 2010
Tom Nedumattathil Thomas	53	Executive Vice President	MBA - Marketing	2,482,955	01.08.2005	29	HCL Technologies America Inc.	Business Development Manager	Apr, 1999

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 Employees 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.*
5. *Particulars of employees posted and working in a country outside India not being directors or their relatives, drawing more than one crore and two lakh rupees per annum or eight lacs and fifty thousand rupees per month, as the case may be, have not been included in the above statement.*

For and on behalf of the Board of Directors

Place: Noida (UP), India
Date: May 11, 2017

Shiv Nadar
Chairman and Chief Strategy Officer

CORPORATE GOVERNANCE REPORT 2016-17

Good governance facilitates efficient, effective and entrepreneurial management that can deliver stakeholder 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 an 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. The effectiveness of corporate governance in the Company depends on regular review, preferably regular independent review. The Company considers fair and transparent corporate governance as one of its most core management tenets. The Company has adopted a Code of Conduct for its Directors, Employees, consultants, vendors and customers and has also adopted a Code of Conduct to regulate, monitor and report trading by insiders and also a fair disclosure code. Some of the important best practices of Corporate Governance framework are timely and accurate disclosure of information regarding the financial position, performance, ownership and governance of the Company.

PHILOSOPHY ON CODE OF GOVERNANCE

The Corporate Governance philosophy of the Company is based on the following principles:

- Follow 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 high degree of disclosure 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 running internally.
- Have a simple and transparent corporate structure driven solely by business needs.
- Comply with the laws in all the countries in which the Company operates.
- Management is the trustee of shareholders' capital and not the owner.

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

BOARD OF DIRECTORS ("BOARD")

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

The Company is headed by a 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 the Company's governance practices, through which it strives 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 the Company's Corporate Governance practices and oversees how the management serves and protects the long term interests of all the stakeholders. The Company believes that an active, well-informed and independent Board is necessary to ensure the highest standards of Corporate Governance.

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

As on March 31, 2017, the Board consisted of 11 members, of which, one is the Promoter Director who is designated as the Chairman and Chief Strategy Officer of the Company. The other 10 Directors are Non-Executive Directors, of which 8 are Independent, Non-Executive Directors. The Board also comprises of three women Directors. During the financial year under review, Ms. Nishi Vasudeva (DIN - 03016991) was appointed as an Additional Director by the Board of Directors of the Company on August 1, 2016. At the Annual General Meeting of the Company held on September 27, 2016, she was appointed as an Independent Director of the Company in terms of section 149 of Companies Act, 2013, to hold office for a period of five years.

Mr. Amal Ganguli (DIN – 00013808) who was Non-Executive, Independent Director of the Company, ceased to be a Director of the Company due to his demise on May 8, 2017.

Therefore, the Board, as on date, consists of ten members, of which, one is the Promoter Director who is designated as the Chairman and Chief Strategy Officer of the Company. The other 9 Directors are Non-Executive Directors, of which 7 are Independent, Non-Executive Directors.

Composition of the Board and the Directorship(s) / Committee Membership(s) / Chairmanship(s) held as on March 31, 2017 is as follows:

Name of Director	Position in the Company	Directorships in Indian public limited companies (including HCL Technologies Ltd.)	Directorships / memberships in all other companies / trust / other entities (including overseas companies)	Committee memberships* (including HCL Technologies Ltd.)	Committee Chairmanships* (including HCL Technologies Ltd.)	No. of shares held (of ₹ 2 each)
Mr. Shiv Nadar (DIN 00015850)	Chairman & Chief Strategy Officer	1	18	1	-	368
Ms. Roshni Nadar Malhotra (DIN 02346621)	Non-Independent Non-Executive Director	1	19	1	-	348
Mr. Sudhindar Krishan Khanna (DIN 01529178)	Non-Independent Non-Executive Director	5	9	1	1	NIL
Ms. Robin Ann Abrams (DIN 00030840)	Independent Non-Executive Director	1	12	1	-	Nil
Mr. Amal Ganguli^ (DIN 00013808)	Independent Non-Executive Director	11	11	10	5	Nil
Mr. Keki Mistry (DIN 00008886)	Independent Non-Executive Director	10	14	9	5	Nil
Mr. Ramanathan Srinivasan (DIN 00575854)	Independent Non-Executive Director	2	6	1	-	Nil
Dr. Sosale Shankara Sastry (DIN 05331243)	Independent Non-Executive Director	1	2	-	-	Nil
Mr. Subramanian Madhavan (DIN 06451889)	Independent Non-Executive Director	3	6	5	3	2,661
Mr. Thomas Sieber (DIN 07311191)	Independent Non-Executive Director	1	4	-	-	Nil
Ms. Nishi Vasudeva (DIN 03016991)	Independent Non-Executive Director	1	-	1	-	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.
** Chairmanships / memberships of only Audit Committee and Stakeholders' Relationship Committee of the Indian public limited companies have been considered.*
^Mr. Amal Ganguli ceased to be a Director of the Company due to his demise on May 8, 2017.

BRIEF PROFILE OF THE BOARD MEMBERS

Mr. Shiv Nadar

Mr. Shiv Nadar, aged 72 years, is the Founder & Chairman of HCL and the Shiv Nadar Foundation. An Electrical Engineer from Coimbatore in South India, he established HCL as a start-up in 1976. Acknowledged as a visionary by the IT industry and his peers, Mr. Shiv Nadar has often made daring forays based on his conviction of the future. The University of Madras and IIT Kharagpur awarded him an Honorary Doctorate Degree in Science for his outstanding contribution to IT in India. In recognition of his pioneering role in business and philanthropy in India and across the globe, Mr. Nadar has received several honours and accolades, notable being the Padma Bhushan from the President of India in 2008 and the BNP Paribas Grand Prize for Individual Philanthropy in 2013, the AIMA Managing India Corporate Citizen Award, the ICSI Lifetime Achievement Award for excellence in Corporate Governance and the Golden Peacock Award for Social Leadership in 2014. He has been named as the Outstanding Philanthropist of the Year in 2015 by Forbes and was featured as the most generous Indian by the Hurun India Philanthropy List 2016. Determined to give back to society, Mr. Nadar has been quietly supporting several significant social causes through the Shiv Nadar Foundation. The Foundation has established the not-for-profit SSN College of Engineering in Chennai, ranked among India's top ranked private engineering colleges. A young and a unique research-led interdisciplinary Shiv Nadar University has been identified as India's first Ivy League institution. The Foundation has also established 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. With a vision to provide innovative medical services, products and training to meet the growing demand for quality healthcare, Mr. Nadar diversified HCL's business to set up HCL Healthcare, offering integrated care across India.

Ms. Roshni Nadar Malhotra

Ms. Roshni Nadar Malhotra, aged 35 years is the CEO and Executive Director of HCL Corporation Pvt. Ltd. She brings a global outlook, strategic vision and passion for business, social enterprise and institution-building to her varied roles at HCL Corporation and the Shiv Nadar Foundation. 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, VidyaGyan schools in Uttar Pradesh, the Shiv Nadar Schools, the iconic Kiran Nadar Museum of Art and Shiksha, an innovative technology-led intervention in education envisioned to eradicate illiteracy from India. She is the driving force behind the VidyaGyan schools in Uttar Pradesh, a radical initiative to induct and transform meritorious rural children from economically underprivileged backgrounds and create leaders of tomorrow. Under her leadership, VidyaGyan has started showing excellence in various fields, creating spirals of inspiration, and delivering on the promise of creating catalytic leaders from rural India. 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. Roshni has been inducted into the Forum of Young Global Leaders, for her inspiring work in philanthropy and education in India at a very young age. She was conferred the prestigious 'NDTV - Indian of the year- India's Future' award under the 'Philanthropic' category in 2014. Also, recently Ms. Roshni was felicitated at New York with the 'World's Most Innovative People Award' for 'Philanthropic Innovation', given by The World Summit on Innovation & Entrepreneurship (WSIE). In 2017, Roshni was awarded the prestigious Lewis Institute 2017 Community Changemaker Award by Babson College. Roshni holds an 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. Sudhindar Krishan Khanna

Mr. Sudhindar Krishan Khanna, aged 64 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 several boards including board of United Spirits, Peninsula Holdings and Canara HSBC Insurance.

Ms. Robin Ann Abrams

Ms. Robin Ann Abrams, aged 66 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 including Vice President and General Manager of the Americas where 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 serves on several U.S. public company Boards, the Anita Borg Institute Board and several academic advisory committees.

Mr. Keki Mistry

Mr. Keki Mistry, aged 62 years, is the Vice Chairman & Chief Executive Officer of HDFC Ltd. He is a fellow of the The Institute of Chartered Accountants of India. Mr. Mistry is also the Chairman of CII National Council on Corporate Governance. Some of Mr. Mistry's recent recognitions include, being awarded BMA Management Man of the Year 2016 by Bombay Management Association, 'Best Independent Director Award 2014' by Asian Centre for Corporate Governance & Sustainability, Best CEO Financial Services (Large Companies) 2014 by Business Today magazine, CFO India Hall of Fame by the CFO India magazine in 2012, One of Best CEO for Investor Relations – India at the Thomson Reuters "Extel Awards" – 2012, 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, awarded the QIMPRO Gold Standard 2011– Leader for Quality in Business by the Qimpro Foundation, Best Banker of the Year in 2011 by Financial Express, 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 and selected as the 'Best Investor Relations Officer' in the Corporate Governance poll by Asiamoney (2008).

Mr. Ramanathan Srinivasan

Mr. Ramanathan Srinivasan, aged 71 years, has an Electrical Engineering Degree from Madras University and MBA Degree from the IIM, Ahmedabad. He is the Founder of Redington (India) Limited, a Technology Products Supply Chain Solution Company operating in India, Middle East, Africa & Turkey, Srilanka, Bangladesh and CIS countries and had also served as the Managing Director from July 1, 2006 to October 17, 2014 and as the Non- Executive Vice Chairman from October 17, 2014 to February 2, 2017 of Redington (India) Limited. 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. He has over 30 years of management experience across the globe. He has been awarded the "Entrepreneur Award 2007" by CII, Tamil Nadu and "Outstanding contribution to the IT Channel Industry" by CRN in 2007.

Dr. Sosale Shankara Sastry

Dr. Sosale Shankara Sastry, aged 61 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 500 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. S Madhavan, aged 60 years, is a Fellow member of the Institute of Chartered Accountants of India and also holds a Post Graduate Diploma in Business Management from the Indian Institute of Management, Ahmedabad. He was a senior partner and Executive Director in Pricewaterhouse Coopers from where he took early retirement. He was responsible for all facets of leadership development for all senior positions in the firm, as part of its India leadership team. He was also responsible for 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 Pricewaterhouse Coopers and has been nationally and globally recognized as a leading subject matter expert in that area. Mr. Madhavan started his career in Hindustan Unilever Ltd, India's largest FMCG multinational, where he spent several years in the 1980s. 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. Madhavan is on the Board of several other Companies and is also active in a leadership role in the 'not for profit' sector.

Mr. Thomas Sieber

Mr. Thomas Sieber aged 55 years, has a Business Administration degree from the University of St. Gallen, Switzerland. He was the CEO of Orange Switzerland (now Salt Mobile SA) and later on became the Chairman of the Board of Directors. He has been a member of Board of Directors at IT-services provider, Garaio AG; Sierra Wireless, the Global leader in IoT ("Internet of Things"); Danish wireless solution company, RTX. He is serving as the Chairman at Axpo Holding AG which is one of the two national energy providers in Switzerland and active in 20 countries throughout Europe. Mr. Sieber has an expertise in Strategic and Business Management.

Ms. Nishi Vasudeva

Ms. Nishi Vasudeva, aged 61 years, is the first woman to chair an Oil & Gas company in India, with extensive management and advisory experience. She is an MBA from the Indian Institute of Management, Calcutta, India and B.A. (Economics) from Lady Shri Ram College, University of Delhi, India. She has expertise in areas like Corporate Strategy, Enterprise Resource Management, Retail & Marketing, Information Systems, Business Transformation & Margin Management and Regulatory Management. She is well known for her courage and dedication to making a difference, both at a company level and in the lives of employees and customers. Her awards and accomplishments include the prestigious Global 'CEO of the Year' award by Platts Global Energy Awards 2015, 'Outstanding Woman Manager Award' by the Standing Committee on Public Sector Enterprises (SCOPE), Government of India, for the year 2010-11, 'Exceptional Woman Achiever Award' from the Federation of Indian Chambers of Commerce and Industry in 2014. She has also been ranked one of the top five 'Most Powerful Women in Asia Pacific' by FORTUNE magazine in the year 2014.

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' RESPONSIBILITIES

(a) In addition to the duties and responsibilities entrusted on the Directors of the Company as per the provisions of the Companies Act, 2013, it is the elementary responsibility of the Board members to oversee the management of the Company and in doing so, serve the best interests of the Company and its stakeholders. This responsibility inter-alia shall include:

- Reviewing and approving fundamental operating, financial and other corporate plans, strategies and objectives.
- Evaluating whether the corporate resources are being used only for appropriate business purposes.
- Establishing a corporate environment that promotes timely and effective disclosure (including robust and appropriate controls, procedures and incentives), fiscal 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.
- Attending 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 condition of the Company and the significant subsidiaries and business segments.

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

- Current business and financial performance, degree of achievement of approved objectives and the need to address forward-planning issues.
- Compliance programs to assure the company's compliance with laws and corporate 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 circulation. The Company effectively uses teleconferencing facilities to enable the participation of Directors who could not attend the meetings due to some exigencies.

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

Board Meeting - Matters: All divisions / departments of the

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

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

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

Access to employees: The directors are provided free access to officers and employees of the Company. Management is encouraged to invite the Company personnel to any Board meeting at which their presence and expertise would help the Board to have a full understanding of the 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, risk assessment and minimization procedures, update on the state of the market for the business and the strategy, minutes of subsidiaries, minutes of all the Board committees, related party transactions, details of the treasury investments, details of foreign exchange exposure, update on statutory compliance report and reports of non-compliances, if any, information on recruitment / remuneration of senior officers, show cause / demand notices if any, details of joint ventures or collaboration agreements, significant changes in the accounting policies, sale of any material nature etc.

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

NUMBER OF BOARD MEETINGS AND THE DATES ON WHICH HELD

Six Board meetings were held during the financial year ended March 31, 2017. These were held on April 1, 2016, April 27-28, 2016, August 1-3, 2016, October 20-21, 2016, January 23-24, 2017 and March 20, 2017. The following table gives the attendance record of the Board meetings and the last Annual General Meeting:

Name of the Director	No. of Board Meetings held	No. of Board Meetings attended	Whether attended last AGM
Mr. Shiv Nadar *	6	6	Yes
Ms. Roshni Nadar Malhotra	6	6	No
Ms. Robin Ann Abrams $	6	6	No
Mr. Ramanathan Srinivasan $	6	6	No
Mr. Amal Ganguli #	6	4	Yes
Mr. Sudhindar Krishan Khanna	6	5	Yes
Dr. Sosale Shankara Sastry $	6	6	No
Mr. Subramanian Madhavan	6	6	Yes
Mr. Keki Mistry $	6	4	No
Mr. Thomas Sieber $	6	5	No
Ms. Nishi Vasudeva ^	4	4	No

* *Mr. Shiv Nadar attended one meeting through teleconference call.*

$ *Mr. Keki Mistry, Ms. Robin Abrams, Mr. Ramanathan Srinivasan, Dr. Sosale Shankara Sastry and Mr. Thomas Sieber attended two meetings through teleconference call.*

Mr. Amal Ganguli had been unwell and had not attended the Board and Committee meetings since January, 2017. He ceased to be a Director of the Company due to his demise on May 8, 2017.

^ *Ms. Nishi Vasudeva was appointed as a Director of the Company w.e.f. August 1, 2016.*

DECLARATION BY INDEPENDENT DIRECTORS

Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has received necessary declarations from each Independent Director that he / she meets the criteria of independence in terms of the above mentioned provisions.

INDEPENDENT DIRECTORS' MEETINGS

In terms of the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015, the Independent Directors of the Company shall meet at least once in a year, without the presence of Executive Directors and members of the management. The Independent Directors met on May 10, 2017 and inter-alia discussed:

- the performance of non-Independent Directors and the Board as a whole;
- the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non- Executive Directors; and
- the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Directors are provided with necessary documents, reports and internal policies to enable them to familiarize with the Company's procedures and practices. Further, periodic presentations are made at the Board and its Committee Meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved. Quarterly updates on relevant statutory changes are provided to the Directors in the Board meetings.

Upon appointment, Directors are issued a Letter of Appointment setting out in detail the terms of employment including their roles, function, responsibilities and their fiduciary duties as a Director of the Company.

The details of such familiarization programme for Independent Directors are posted on the website of the Company https://www.hcltech.com/investors/governance-policies.

BOARD EVALUATION

The Board of Directors, pursuant to the provisions of the Section 134(3)(p) Companies Act, 2013 and Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has carried out an annual evaluation of its own performance, performance of the Board committees and of the individual directors (including the Independent Directors and the Chairperson).

The Nomination and Remuneration Committee (NRC) of the Company approved the revised checklist for evaluation of the performance of the Board, the Committees of the Board and the individual Directors, including the Chairman of the Board in accordance with the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017. The Board adopted the checklist for performance evaluation as approved by NRC.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the NRC reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of independent Directors, performance of non-independent directors, performance of the Board as a whole and performance of the Chairman was evaluated. The same was discussed in the Board meeting that followed the meeting of the Independent Directors, at which the performance of the Board, its committees and the individual directors was discussed.

BOARD DIVERSITY

The Company recognizes its obligation to maintain a Board with a diversity of Directors. The Company considers that the concept of diversity incorporates a number of different aspects, such as professional experiences, business perspectives, skills, knowledge, gender, age, cultural and educational background, ethnicity and length of service.

The Company believes that Board diversity enhances decision making capability and a diverse Board is more effective in dealing with organizational changes and less likely to suffer from group thinking. The Board has adopted the Policy on Board Diversity which sets out the approach to diversity of the Board of Directors.

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 their clearly defined roles. The Board supervises the execution of its responsibilities by the committees and is responsible for their action.

As on March 31, 2017, the Company had eight Board Committees viz. Audit Committee, Nomination & Remuneration Committee, Finance Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee, Employees' Stock Options Allotment Committee, Risk Management Committee and Diversity Committee.

Keeping in view the requirements of the Companies Act, 2013 as well as SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015, the Board decides the terms of reference of the 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 the management determine the frequency and length of the meetings 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 as on March 31, 2017:

S. No.	Director	Audit Committee	Nomination & Remuneration Committee	Stakeholders' Relationship Committee	Corporate Social Responsibility Committee	Finance Committee	Employees' Stock Option Allotment Committee	Risk Management Committee	Diversity Committee
Executive Directors									
1.	Mr. Shiv Nadar	N.A.	Member	Member	Member	Member	Member	N.A.	Member
Non-Independent, Non-Executive Directors									
2.	Ms. Roshni Nadar Malhotra	N.A.	Member	Member	Chairperson	Member	N.A.	N.A.	Member
3.	Mr. Sudhindar Krishan Khanna	N.A.	N.A.	N.A.	N.A.	Member	N.A.	N.A.	N.A.
Independent, Non-Executive Directors									
4.	Mr. Amal Ganguli*	Member	N.A.	N.A.	N.A.	Member	N.A.	Member	N.A.
5.	Mr. Keki Mistry	Chairman	N.A.	N.A.	N.A.	N.A.	N.A.	Chairman	N.A.
6.	Mr. Ramanathan Srinivasan	N.A.	Chairman	N.A.	N.A.	Member	N.A.	N.A.	N.A.
7.	Ms. Robin Ann Abrams	Member	Member	N.A.	N.A.	N.A.	N.A.	Member	Chairperson
8.	Dr. Sosale Shankara Sastry	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
9.	Mr. Subramanian Madhavan	Member	N.A.	Chairman	Member	Chairman	Member	Member	N.A.
10.	Mr. Thomas Sieber	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
11.	Ms. Nishi Vasudeva	Member	N.A.	N.A.	N.A.	N.A.	N.A.	Member	N.A.

**Mr. Amal Ganguli ceased to be a director of the Company due to his demise on May 8, 2017.*

1. Audit Committee

As on March 31, 2017, the Audit Committee comprises of five Independent Directors namely:

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

The Company Secretary acts as a Secretary to the Committee.

During the year under review, Mr. Keki Mistry was appointed as the Chairperson of the Audit Committee. Ms. Nishi Vasudeva was coopted as the member of the Committee w.e.f. January 3, 2017.

Mr. Amal Ganguli ceased to be the Chairman and continued to be the member of the Committee effective from January 23, 2017. He ceased to be a Director of the Company due to his demise on May 8, 2017.

Terms of Reference

The terms of reference of 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, including filing of a casual vacancy, fixation of audit fee / remuneration, terms of appointment and also provide prior approval of the appointment of and the fees for any other services rendered by the statutory auditors. Provided that the statutory auditors shall not render services prohibited to them by Section 144 of the Companies Act, 2013 or by professional regulations.

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

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

b) Review and monitor a independence and performance of Statutory Auditors and Effectiveness of Audit Process

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

The Audit Committee is also responsible for:

i) Actively engaging in dialogue with the statutory auditors with respect to any disclosed relationship or services that may impact the objectivity and independence of the statutory auditors, and

ii) Recommending that the Board takes appropriate action in response to the statutory auditors' report to satisfy itself of their independence.

c) Review Audit Plan

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

d) Conduct of audit

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

e) Review and examination of Audit Results

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

f) Review and examination of Financial Statements

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

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

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

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

g) Review Quarterly Results

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

h) Risk Management functions

The Audit Committee shall perform the following Risk Management Functions:

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

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

i) Review the performance of the Internal and External Auditors

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

j) Oversight Role

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

k) Review internal audit function

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

l) Review Internal Audit plans

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

m) Review Internal Audit reports

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

n) Review systems of internal financial controls

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

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

The Vigil mechanism / Whistleblower Policy set up / formulated by the Company shall provide for adequate safeguards against victimization of all persons referring any matter under the mechanism and shall also provide for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. Matters referred and the action taken shall be regularly reported to the Audit Committee once a quarter or more frequently. The mechanism and policy shall cover whistleblower and complaint references of all kinds, including alleged fraud by or against the Company, abuse of authority, misbehavior, ill treatment and unfair treatment of all kinds including all allegations and charges of harassment, sexual or otherwise, whether made by a named complainant or anonymously. Complaints which are prima facie frivolous in the view of the Ethics Committee of the Company or other committee or group of individuals responsible for investigating complaints and taking suitable action may be closed with appropriate reasons recorded. If any of the members of the Audit Committee have a conflict of interest in a given case, they should recuse themselves and the others on the Audit Committee would deal with the matter on hand.

p) Review other matters

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

q) Reporting to Board

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

r) Investigation

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

s) Seek information / advice

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

t) Approval for appointment of Chief Financial Officer

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

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

Review and monitor, with the management, the statement of uses / application of funds raised through an issue (public, rights, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of the public issue or rights issue, and make appropriate recommendations to the Board.

v) Review of other Information

The Audit Committee shall mandatorily review the following information:

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

w) Basis of Related Party Transactions

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

Explanation:

(a) The term "Related Party Transactions" shall have the meaning as contained under section 188 of the Companies Act, 2013 and Regulation 2(1)(zc) and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which are currently in force or as may be amended from time to time.

(b) The term "Related Party" shall be as defined under section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which are currently in force or as may be amended from time to time.

x) To attend Annual General Meeting

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

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

y) Subsidiary Companies

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

z) Reporting of Fraud by the Auditors

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

aa) Cost Auditor

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

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

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

ac) Registered Valuer

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

Nine meetings of the Audit Committee were held during the financial year under review. These were held on April 1, 2016, April 12, 2016, April 27, 2016, July 31, 2016, August 2, 2016, October 19, 2016, October 20, 2016, January 10, 2017 and January 23, 2017.

Attendance details of each member at the Audit Committee meetings held during the financial year ended March 31, 2017 are as follows:

Name of the Committee Member	Position	Number of Meetings held	Number of Meetings attended
Mr. Keki Mistry	Chairman^	1	1
	Member	8	5*
Mr. Amal Ganguli **	Chairman	8	7
	Member	1	-
Ms. Robin Ann Abrams	Member	9	9#
Mr. Subramanian Madhavan	Member	9	9
Ms. Nishi Vasudeva@	Member	2	2

* *This includes one meeting attended through teleconference call.*

\# *This includes three meetings attended through teleconference call.*

^ *Mr. Keki Mistry was appointed as the Chairman of the Committee*

** *Mr. Amal Ganguli ceased to be the Chairman and continued to be the member of the Committee effective from January 23, 2017. He ceased to be a Director of the Company due to his demise on May 8, 2017.*

@ *Ms. Nishi Vasudeva was co-opted as the member of the Committee w.e.f. January 3, 2017.*

2. Corporate Social Responsibility Committee

As on March 31, 2017, the Corporate Social Responsibility (CSR) Committee comprises of three members including one Independent Director namely:

a) Ms. Roshni Nadar Malhotra (Chairperson)
b) Mr. Shiv Nadar
c) Mr. Subramanian Madhavan

During the year under review, Ms. Roshni Nadar Malhotra was appointed as the Chairperson of the Committee in place of Mr. Shiv Nadar w.e.f. August 1, 2016.

Terms of Reference

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

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

During the financial year ended March 31, 2017, the CSR Committee met two times on April 26, 2016 and August 17, 2016.

3. Nomination and Remuneration Committee

As on March 31, 2017, the Nomination and Remuneration Committee comprised of four members, with two of its members as Independent Directors, namely:

a) Mr. Ramanathan Srinivasan (Chairman)
b) Ms. Robin Ann Abrams
c) Ms. Roshni Nadar Malhotra
d) Mr. Shiv Nadar

Terms of Reference

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

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

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

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

c) Carry out evaluation of all Directors and Board performance.

d) Recommend to the Board a policy relating to remuneration of Directors, Key Managerial Personnel and other employees.

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

1. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the company successfully;

2. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

3. Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

e) Formulate the criteria for determining the qualifications, positive attributes and independence of directors.

f) Devising a Policy on Board Diversity.

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

h) Approve inclusion of senior officers of the Company as Corporate Officers.

i) Approve promotions within the Corporate Officers.

j) Regularly review the Human Resource function of the Company.

k) Approve grant of stock options to the employees and / or Directors (excluding Independent Directors and Promoter Directors) of the Company and subsidiary companies and perform such other functions and take such decisions as are required under the various Employees Stock Option Plans of the Company.

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

m) Make reports to the Board as appropriate.

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

During the financial year ended March 31, 2017, the Nomination and Remuneration Committee met five times on April 21, 2016, August 1, 2016, October 12, 2016, October 20, 2016 and January 23, 2017.

Attendance details of each member at the Nomination and Remuneration Committee, during the year ended March 31, 2017 are as follows:

Name of the Committee Member	Position	Number of Meetings held	Number of Meetings attended
Mr. Ramanathan Srinivasan	Chairman	5	4^
Ms. Robin Ann Abrams	Member	5	5^
Ms. Roshni Nadar Malhotra	Member	5	5
Mr. Shiv Nadar	Member	5	5

^includes 2 meetings attended through teleconference call.

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 a review of achievements on a regular basis and is in consonance with existing industry practices.

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

Executive Directors:

The remuneration of the Executive Directors is recommended by the Nomination and Remuneration Committee to the Board and after approval by the Board the same is put up for 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 comprised of one Executive Director viz. Mr. Shiv Nadar. There are no separate provisions for the service of notice period and payment of severance fee by the Executive Directors at the time of their termination. The remuneration paid to Mr. Shiv Nadar for the year ended March 31, 2017 from the Company / subsidiaries is as under:

Remuneration to Mr. Shiv Nadar from the Company:

Particulars	₹ / crores
Salary	7.50
Perquisites	1.66
Others: -Medical -Mis. reimbursement	 0.01 0.95
Contribution to Provident Fund	0.18
Total	**10.30**

In addition, Mr. Shiv Nadar received ₹4.49 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.

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 also 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 period April 1, 2016 to March 31, 2017 are as under:

Name of the Director	Sitting Fees for the FY 2016-17 ₹ / crores	Commission for the FY 2016-17 ₹ / crores
Mr. Amal Ganguli*	0.02	0.57
Mr. Keki Mistry	0.01	0.63
Mr. Ramanathan Srinivasan	0.01	1.04
Ms. Robin Ann Abrams	0.02	1.13
Ms. Roshni Nadar Malhotra	0.02	0.63
Mr. Subramanian Madhavan	0.04	0.72
Mr. Sudhindar Krishan Khanna	0.01	0.58
Dr. Sosale Shankara Sastry	0.01	0.86
Mr. Thomas Sieber	0.01	0.86
Ms. Nishi Vasudeva**	0.01	0.37

Note: - The service tax on commission amounting to ₹ 1.11 crores shall be paid by the Company.

**Mr. Amal Ganguli ceased to be a Director of the Company due to his demise on May 8, 2017.*

***Ms. Nishi Vasudeva was appointed as a Director of the Company w.e.f. August 1, 2016.*

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

The remuneration policy is provided herewith pursuant to Section 178(4) of the Act and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Remuneration Policy for Directors, Key Managerial personnel and other employees

(I) Scope of the Policy

The remuneration policy ("Policy") applies to the Directors and Key Managerial personnel of the Company and other employees of the Company and its subsidiaries.

(II) Background

A transparent, fair and reasonable process for determining the appropriate remuneration at all career levels and roles as prevalent in the Company is required to ensure that the shareholders remain informed and confident about the management of the Company.

(III) Objective

The objectives of this policy are:

a) To create a transparent system of determining the appropriate level of remuneration throughout all career levels and roles of the Company.

b) Motivate the directors, Key Managerial personnel and other employees, to perform to their maximum potential.

c) To reward performance and meritocracy, based on review of achievements on a regular basis and in consonance and benchmarked with the existing industry practices.

d) Allow the Company to compete in each relevant employment market.

e) Provide consistency in remuneration and benefits throughout the Company.

f) Align the performance of the business with the performance of key individuals and teams within the Company.

(IV) Remuneration Policy for Directors

(a) Executive Directors

The remuneration of the Executive Directors will be recommended by the Nomination and Remuneration Committee (Committee) to the Board of Directors (Board) and after approval by the Board the same will be put up for the shareholder's approval.

(b) Non-Executive Directors

Non-Executive Directors will be paid commission 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, will not exceed 1% of the net profits of the Company in a financial year calculated as per the requirements of Section 198 of the Companies Act, 2013 (Act). The said commission shall be decided each year by the Board of Directors and distributed amongst the Non-Executive Directors based on their attendance, contribution at the Board and certain Committee meetings and the time spent on operational matters other than at meetings.

The Company shall reimburse the travelling, hotel and other out-of-pocket expenses incurred by the Directors for attending the meetings and for other work on behalf of the Company.

(V) Remuneration Policy for Key Managerial Personnel and other employees

The Company's remuneration policy of Key Managerial Personnel (other than Executive Directors covered above) and other employees is driven by their success and performance of the Company. Through its compensation programme, the Company endeavours to attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed pay, performance based variable pay, benefits and perquisites, long term cash incentive plans and equity based reward plans. The Company may grant loans to the employees as per its Employees' Personal Loan Policy. Individual performance pay is determined by business performance and the performance of the individuals measured through periodic appraisal process. The Company will ensure that level and composition of remuneration is reasonable and sufficient to attract, retain and motivate all employees to contribute to their potential and in turn run the Company successfully.

(VI) Disclosure

The policy shall be disclosed in the Board Report, Annual Report and such other places as may be required by the Act and rules framed thereunder, Equity Listing Agreement entered into with the stock exchanges (including any statutory modification(s) or re-enactment thereof) and such other laws for the time being in force.

(VII) Implementation

This Policy has been approved and adopted by the Board of the Company after the recommendation of the Committee of the Company. Any revisions to the Policy will be submitted to the Board for consideration and approval upon recommendation by the Committee.

4. Finance Committee

As on March 31, 2017, the Finance Committee comprised of the following members:

a) Mr. Subramanian Madhavan (Chairman)
b) Mr. Amal Ganguli
c) Mr. Ramanathan Srinivasan
d) Mr. Shiv Nadar
e) Mr. Sudhindar Krishna Khanna
f) Ms. Roshni Nadar Malhotra

During the year under review, Mr. Subramanian Madhavan was appointed as the Chairperson of the Committee w.e.f. August 1, 2016. Mr. Amal Ganguli ceased to be the Chairperson and continued to be the member of the Committee effective from August 1, 2016. Mr. Amal Ganguli ceased to be a Director of the Company due to his demise on May 8, 2017. Ms. Roshni Nadar Malhotra was co-opted as the member of the Committee w.e.f. August 19, 2016.

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 strategise for managing the foreign exchange exposure – the Committee approves 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 financial year ended March 31, 2017, the Committee met 3 times on August 2, 2016, November 23, 2016 and February 20, 2017.

5. Stakeholders' Relationship Committee

As on March 31, 2017, the Stakeholders' Relationship Committee comprised of the following members:

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

Terms of Reference

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

a) To review and take all necessary actions for redressal of grievances and complaints of Securityholders as may be required in the interests of the securityholders.

b) To approve requests of rematerialisation of shares / securities, issuance of split and duplicate shares / security certificates.

During the financial year ended March 31, 2017, the Committee met 6 times on April 14, 2016, May 18, 2016, June 15, 2016, August 16, 2016, September 22, 2016 and February 3, 2017.

Name, Designation and Address of Compliance Officer

Mr. Manish Anand
Vice President & Company Secretary
HCL Technologies Limited
Plot No.: 3A, Sector 126, Noida-201 304, UP, India
Tel. +91-120-6125000, Fax: +91-120-4683030
E-mail: manishanand@hcl.com

Investors' Grievances

The following table shows the Shareholders' complaints received during the financial year ended March 31, 2017:

Source of Complaint	Received	Resolved
Directly from the Investors	11	11
Through SEBI, Stock Exchanges, etc.	5	5
Total	**16**	**16**

6. Employees' Stock Option Allotment Committee

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

a) Mr. Shiv Nadar
b) Mr. Subramanian Madhavan
c) Mr. Anil Kumar 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 financial year under review, the Committee met 6 times.

7. Risk Management Committee

As on March 31, 2017, the Risk Management Committee comprised of the following members:

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

During the year under review, Ms. Nishi Vasudeva was co-opted as the member of the Committee w.e.f. January 23,

2017. Mr. Keki Mistry was appointed as the Chairperson of the Audit Committee in place of Mr. Amal Ganguli, who continued to be the member of the Committee effective from January 23, 2017. Mr. Amal Ganguli ceased to be a Director of the Company due to his demise on May 8, 2017.

Terms of Reference

The terms of reference of the Risk Management Committee are as follows:

a) To assist the Board of Directors ("Board") in overseeing the responsibilities with regard to the identification, evaluation and mitigation of operational, strategic and external environmental risks.

b) To assist the Board in taking appropriate measures to achieve a prudent balance between risk and reward in both ongoing and new business activities.

c) To review and approve the Risk management policy and associated framework, processes and practices.

d) To evaluate significant risk exposures including business continuity planning and disaster recovery planning.

e) To assess management's actions in mitigating the risk exposures in a timely manner.

f) To promote Enterprise-wide Risk Management and obtain comfort based on adequate and appropriate evidence that the Management of the Company ensures the implementation and effective functioning of the entire risk management process and embedding of a comprehensive risk management culture in the Company at every stage of its operations.

g) To 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) To maintain an aggregated view on the risk profile of the Company / Industry in addition to the profile of individual risks.

i) To ensure the implementation of and compliance with the objectives set out in the Risk Management Policy.

j) To advise the Board on acceptable levels of risk appetite, tolerance and strategy appropriate to the size and nature of business and the complexity and geographic spread of the Company's operations.

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

During the year under review, the Committee met 2 times on July 31, 2016 and January 10, 2017.

8. Diversity Committee

During the year under review in order to affirm, guide and support the commitment of the Company to drive gender diversity, the Board of Directors has formed a Board Committee named as Diversity Committee.

As on March 31, 2017, the Diversity Committee comprised of the following members:

a) Ms. Robin Ann Abrams (Chairperson)
b) Ms. Roshni Nadar Malhotra
c) Mr. Shiv Nadar

Terms of Reference

The terms of reference of the Diversity Committee are as follows:

a) To serve in an advisory capacity to provide management with appropriate guidance on gender diversity.

b) To review and evaluate the efforts of HR and other departments with respect to the initiatives relating to gender diversity and provide oversight with respect to matters of strategy and progress in this regard.

c) To address specific issues or problems relating to diversity or inclusion that may arise with the objective of identifying which procedures or policies to be enhanced, changed or discarded and to ensure that senior management has a timely and reasonable action plan to promote gender diversity.

d) To monitor and oversee the development and implementation of diversity policies, programs and actions and procedures so as to ensure that they are appropriate to, and assist in the fulfillment of, the Company's duties and responsibilities to provide equal opportunities to female candidates / employees.

e) To provide periodic reports to the Board.

During the year under review, the Committee met 4 times on April 26, 2016, August 19, 2016, October 18, 2016 and March 8, 2017.

SUCCESSION PLANNING

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

INDEPENDENCE OF STATUTORY AUDITORS

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

MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. 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 2016-17. A Policy on Related Party Transactions formulated pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into by the Company with the Stock Exchanges and approved by the Board is available on the website of the Company at https://www.hcltech.com/investors/governance-policies.

CODE OF BUSINESS ETHICS AND CONDUCT

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

All Board members and senior management personnel have confirmed compliance with the Code for the financial year ended March 31, 2017. 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, 2015. The Code of Conduct to Regulate, Monitor and Report Trading by Insiders ('Insider Trading Code') for prevention of insider trading inter-alia prohibits purchase / sale of shares of the Company by employees / Directors while in possession of unpublished price sensitive information in relation to the Company. The Company, within two working days of receipt of the information under the Initial and Continual disclosures from Directors, shall disclose the same to all the Stock Exchanges where the shares of the Company are listed.

ANTI-BRIBERY POLICY AND ANTI-CORRUPTION POLICY

To ensure the Company's policy for conducting its business activities with honesty, integrity and highest possible ethical standards and company's commitment towards prevention, deterrence and detection of fraud, bribery and other corrupt business practices, the Company has in place 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 is available on the website of the Company at https://www.hcltech.com/investors/governance-policies.

PREVENTION AND REDRESSAL OF SEXUAL HARASSMENT AT WORK PLACE POLICY

In order to provide a safe and healthy work environment free of any hazzles and all kinds of harassment including sexual harassment and to prevent and redress such harassment complaints, the Company has in place Prevention and Redressal of Sexual Harassment at Work Place Policy. This policy applies to all employees of the Company, its group companies and joint ventures operating out of India like regular, temporary, ad hoc, daily wagers, contractual staff, vendors, clients, consultants, trainees, probationers, apprentices, contract labour and also all visitors to the Company. Any complaints about harassment shall be treated under this policy. This Policy is not confined to the actual working place of the employees in the sense of the physical space in which paid work may be performed as per the prescribed duty hours but also includes any place visited by the employee arising out of or during the course of employment. The Company has constituted a committee for the redressal of all sexual harassment complaints. These matters are also being reported to the audit committee. During the year ended March 31, 2017, the Company has received 8 complaints on sexual harassment that were classified as significant incidents for investigation, all of which were disposed and appropriate actions taken and no complaints remain pending as of March 31, 2017.

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, a Whistle Blower Policy is in place to provide appropriate avenues to the Directors, employees, contractors, contractors' employees, clients, vendors, internal or external auditors, consultants, law enforcement / regulatory agencies or other third parties to bring to the attention of the management any issues which are perceived to be of unethical behaviour, actual or suspected fraud or violation of the Company's Code of Business Ethics and Conduct. All cases registered under the Whistle Blower Policy of the Company are reported to the external Ombudsperson who carries out preliminary investigations. Complaints received against senior management staff are overseen by the Chairman's Office and those against other employees / staff by the Chief Ethics Officer of the company. The Whistle Blower has direct access to the Chief Ethics Officer, Ombudsperson and the senior management as well as Audit Committee to share complaint details. The identity of the Whistle Blower is kept confidential. The Audit Committee reviews the policy and its implementation on a periodic basis and is provided a quarterly update on the status of various complaints received and investigated. The policy is available on the website of the Company at https://www.hcltech.com/investors/governance-policies.

OBSERVANCE OF THE SECRETARIAL STANDARDS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA

The Institute of Company Secretaries of India has issued Secretarial Standards on important aspects like Board meetings, General meetings, payment of dividend, maintenance of registers and records, Board's report etc. The Secretarial Standards on Board Meeting (SS-1) and on General Meeting (SS-2) is compulsory for all the companies w.e.f. July 1, 2015. The Company adheres to these standards. Although the other standards are optional in nature, the Company substantially adheres to the other standards on a voluntary basis.

GENERAL BODY MEETINGS

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

Financial Year	Date	Time	Venue	Details of Special Resolution passed
2013-14	December 4, 2014	11.00 A.M.	FICCI Auditorium, Federation House, 1, Tansen Marg, New Delhi-110001	1. Approval u / s 197 of the Companies Act, 2013 for payment of commission not exceeding one percent per annum of net profits of the Company to all the Non-executive Directors of the Company collectively in each financial year over a period of five years beginning from July 1, 2014 and extending upto and including the financial year of the Company ending on March 31, 2019. 2. Approval u / s 196(3)(a) of the Companies Act, 2013 for Mr. Shiv Nadar to continue as the Managing Director of the Company, beyond the age of 70 years, till the end of his tenure as Managing Director ending on January 31, 2017.
2014-15	December 22, 2015	11.00 A.M.	FICCI Auditorium, Federation House, 1, Tansen Marg, New Delhi-110001	1. Implementation of the 2004 Stock Option Plan ('ESOP Plan') through trust mechanism. 2. Authorization for acquisition of shares under 2004 Stock Option Plan.
2015-16	September 27, 2016	11:00 A.M.	The Stein Auditorium', Habitat World, at India Habitat Centre, Lodhi Road, New Delhi-110003	No special resolution passed.

DETAILS OF RESOLUTIONS PASSED THROUGH POSTAL BALLOT

No resolution was passed through Postal Ballot during the financial year ended March 31, 2017.

However, the Board of Directors of the Company in its meeting held on March 20, 2017 approved the proposal for buyback of the Equity Shares by the Company of up to **3,50,00,000** (Three crores fifty lacs) fully paid-up Equity Shares of ₹ 2/- each of the Company ("**Equity Shares**") representing upto **2.48%** of the total paid-up Equity Share capital of the Company as on March 31, 2016 as per the last available audited financial statements of the Company.

The buyback is subject to the approval of the shareholders of the Company which is being taken through Postal Ballot. The results of the Postal Ballot will be declared on May 17, 2017.

SUBSIDIARY COMPANIES AND POLICY ON MATERIAL SUBSIDIARY

The Company has formulated and adopted a Policy for determining Material Subsidiary in line with the requirements of the Reg. 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Policy aims to set out the principles for determining a material subsidiary. The Policy on the Material Subsidiary is available on the website of the Company at https://www.hcltech.com/investors/governance-policies. However, during the year, none of the subsidiaries was a material non-listed Indian Subsidiary Company as per the criteria given in Regulation 16 of the Listing Regulations. 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 Part B of Schedule II read with Regulation 17 (8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was placed before the Board along with the financial statements for the year ended March 31, 2017 and the Board reviewed the same. The said Certificate is provided elsewhere in the Annual Report.

DISCLOSURES

a) Related party transactions

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

b) Compliances by the Company

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

c) Other Disclosures

1. The Company has in place the Whistle Blower Policy and no personnel has been denied access to the Audit Committee.
2. During the year, the Company did not raise any money through public issue, right issues or preferential issues and there was no unspent money raised through such issues.
3. In terms of the provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company has in place an "Archival Policy" and a "Policy for Determination of Materiality of Events or Information". Both the policies are available on the website of the Company at https://www.hcltech.com/investors/governance-policies.

MEANS OF COMMUNICATION

a) **Quarterly Results:** Quarterly Results of the Company are generally published inter alia, in Mint and Hindustan.

b) **Website:** Company's corporate website www.hcltech.com provides comprehensive information on company's portfolio of businesses. The website has an 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, Management Discussion and Analysis Statement, Corporate Governance Report and other important information is circulated to members and others entitled thereto. The Annual Report of the Company is available on the Company's website in a user-friendly and downloadable form.

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

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

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

h) **Designated Exclusive email-id:** The Company has the following designated e-mail 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 its operations and services. As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' taken by the Ministry of Corporate Affairs, Government of India, enabling electronic delivery of documents to the shareholders at their e-mail addresses registered with the Depository participants / Registrar & Share Transfer Agent.

Electronic copies of the Annual Report 2016-17 and notice of the twenty fifth AGM will be sent to all the members whose email addresses are registered with the Company / Depository Participant(s). For members who have not registered their email addresses, physical copies of the Annual Report 2016-17 and notice of twenty fifth AGM shall be sent in the permitted mode. Members requiring physical copies can send a request to the Company Secretary.

The Company sends the communications to the shareholders by electronic mode. The shareholders of the Company are requested to register their e-mail addresses with their depository participants to ensure that the annual report and other documents reaches them on their preferred e-mail address. Shareholders who hold shares in physical form are requested to register their e-mail addresses with the registrar and 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 need to maintain continuous dialogue with the investor community. The objective of Investor Relations 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 provides comprehensive information in the form of Annual Reports, Quarterly Earnings Reports, Investor Releases on the Company's Website under 'Investors' section: https://www.hcltech.com/investors. Additionally, Conference Calls, Management Interviews, Face to Face Investor Meetings and Annual General Meetings ensure a direct interaction of market participants with the Management Team.

A comprehensive Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("Fair Disclosure Code"), for the fair disclosure of Unpublished Price Sensitive Information for all stakeholders, has also been formulated and implemented in line with the SEBI guidelines to ensure the compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015.

The management is committed to build investor relations on the pillars of trust, consistency and transparency. Its proactive approach has enabled the investor community to better understand the nature of the Company's business, management strategies and operational performance over a period of time.

GENERAL SHAREHOLDER INFORMATION

a.	Annual General Meeting: Date Time Venue	 : : :	 September 21, 2017 11:00 A.M. Indian Habitat Centre, Lodhi Road, New Delhi – 110 003
b.	Financial Year	:	1st April, 2016 to 31st March, 2017
c.	Date of Book Closure	:	September 14, 2017 to September 17, 2017 (both days inclusive)
d.	Dividend Payment Date (subject to approval of shareholders)	:	N.A.
e.	Listing of Equity Shares on stock exchanges in India at	:	The National Stock Exchange of India Ltd. (NSE) Exchange Plaza, 5th Floor, Plot No. C / 1, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400 051, India. Tel.: +91-22-26598236, Fax: +91-22-26598237
			BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001, India Tel.: +91-22-22721233, Fax: +91-22-22723121
f.	Stock Codes	:	NSE – HCLTECH BSE – 532281
g.	ISIN for Equity Shares	:	INE860A01027
h.	Listing of Non-Convertible Debentures on stock exchanges in India at	:	N.A.
i.	Debenture Trustee	:	N.A.
j.	ISIN for Debentures	:	N.A.
k.	Listing Fees	:	Paid to all Stock Exchanges for the year 2017-18
l.	Corporate Identification Number (CIN) of the Company	:	L74140DL1991PLC046369
m.	Registered Office	:	806, Siddharth, 96, Nehru Place, New Delhi – 110 019, India Tel.: +91-11-26444812, Fax: +91-11-26436336 Homepage: www.hcltech.com

STOCK MARKET PRICE DATA

The details of monthly high and low price of the Equity Shares of the Company and its comparison to broad based indices BSE Sensex and NSE Nifty for the period April 1, 2016 to March 31, 2017 are as follows:

Month	Share price on BSE		BSE-Sensex	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2016	860.00	748.20	26,100.54	24,523.20
May 2016	763.90	706.50	26,837.20	25,057.93
June 2016	779.75	708.00	27,105.41	25,911.33
July 2016	758.70	709.95	28,240.20	27,034.14
August 2016	869.00	752.00	28,532.25	27,627.97
September 2016	810.00	751.95	29,077.28	27,716.78
October 2016	848.70	761.65	28,477.65	27,488.30
November 2016	824.50	731.05	28,029.80	25,717.93
December 2016	840.00	772.00	26,803.76	25,753.74
January 2017	868.95	787.20	27,980.39	26,447.06
February 2017	864.95	778.05	29,065.31	27,590.10
March 2017	889.65	836.45	29,824.62	28,716.21

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

Month	Share Price on NSE		NSE-Nifty	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2016	862.50	747.20	7,992.00	7,516.85
May 2016	763.70	706.40	8,213.60	7,678.35
June 2016	781.45	708.00	8,308.15	7,927.05
July 2016	758.95	710.25	8,674.70	8,287.55
August 2016	858.50	751.10	8,819.20	8,518.15
September 2016	807.00	750.50	8,968.70	8,555.20
October 2016	848.70	760.00	8,806.95	8,550.25
November 2016	827.50	736.00	8,669.60	7,916.40
December 2016	840.00	771.10	8,274.95	7,893.80
January 2017	869.75	787.10	8,672.70	8,133.80
February 2017	865.00	778.65	8,982.15	8,537.50
March 2017	890.13	835.15	9,218.40	8,860.10

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

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

SHARE TRANSFER SYSTEM

99.88% of the equity shares of the Company are in dematerialized form. Transfers of these shares are done through the depositories with no involvement of the Company. For the transfer of shares held in physical form, the authority has been delegated to the Company's officials who generally consider and approve the share transfer requests on a fortnightly basis.

The shares sent for physical transfer are generally registered and returned within a period of 15 days from the date of receipt of request, subject to documents being valid and complete in all respects. As per the requirement of Regulation 40 (9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has obtained half-yearly certificates from Practising Company Secretary for due compliance of share transfer formalities and filed the same with the Stock Exchanges.

As on March 31, 2017, no equity share was pending for transfer.

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 March 31, 2017 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.

Shareholding as on March 31, 2017

i) Distribution of shareholding as on March 31, 2017

Number of Equity Shares held	No. of Shareholders	Shareholders (%)	No. of Shares	Shares (%)
1 – 100	1,28,886	73.78	41,51,818	0.29
101 – 200	21,394	12.25	32,66,988	0.23
201 – 500	13,707	7.85	46,29,940	0.32
501 – 1000	4,323	2.47	32,57,808	0.23
1001 – 5000	3,578	2.05	81,70,479	0.57
5001 – 10000	827	0.47	60,07,106	0.42
10001 and above	1,966	1.13	1,39,72,99,285	97.93
Total	**1,74,681**	**100.00**	**1,42,67,83,424**	**100.00**

ii) **Categories of equity shareholders as on March 31, 2017**

Category	Number of shares held	Voting Strength (%)
Promoters	85,15,69,308	59.68
Mutual Funds / UTI	8,17,04,384	5.73
Financial Institutions / Banks	14,41,407	0.10
Insurance Companies	2,67,72,988	1.88
Foreign portfolio Investors	35,04,72,312	24.56
Foreign Banks	1,200	0.00
Bodies Corporate	5,73,77,356	4.02
Individuals	4,29,89,458	3.01
NRIs / OCBs	68,68,038	0.49
NBFC's registered with RBI	1,33,540	0.01
Foreign Nationals	75,479	0.01
Trusts	43,39,481	0.30
Alternate Investment Funds	4,55,988	0.03
HUF	5,81,454	0.04
Clearing Members	20,01,031	0.14
Total	**1,42,67,83,424**	**100.00**

DEMATERIALIZATION OF SHARES AND LIQUIDITY

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

The system for getting the shares dematerialized is as under:

a. 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.

b. DP processes the DRF and generates a unique number *viz.* DRN.

c. DP forwards the DRF and share certificates to the Company's Registrar & Shares Transfer Agent.

d. The Company's Registrar & Shares Transfer Agent after processing the DRF confirms or rejects the request to the Depositories.

e. Upon confirmation, the Depository gives the credit to shareholder in his / her depository account maintained with DP.

As on March 31, 2017, about 99.88% of the equity shares issued by the Company are held in dematerialized form.

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

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

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.

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.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the provisions of Section 124 of the Companies Act, 2013, 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 125 of the said Act. Shareholders who have not encashed their dividend warrants relating to the dividend specified in Table below are requested to immediately send their request for issue of duplicate warrants. Once unclaimed dividend is transferred to the IEPF Authority, the same can be claimed from the IEPF Authority after following the procedures prescribed in the IEPF Rules.

Financial Year	Type of Dividend	Date of Declaration	Record Date/ Book Closure Dates	Dividend Payment Dates	Dividend Amount/ per share (₹)	Due Date of transfer to IEPF
2009-2010	Interim	April 21, 2010	April 27, 2010	May 5, 2010	1.00	May 21, 2017
	Final	October 28, 2010	October 26 - 28, 2010 *	November 4, 2010	1.00	November 27, 2017
2010-2011	Interim	October 20, 2010	October 26 - 28, 2010 *	November 4, 2010	1.50	November 19, 2017
	Interim	January19, 2011	January 25, 2011	February 4, 2011	2.00	February 18, 2018
	Interim	April 20, 2011	April 26, 2011	May 4, 2011	2.00	May 20, 2018
	Final	November 2, 2011	October 25 - November 2, 2011*	November 8, 2011	2.00	December 2, 2018
2011-2012	Interim	October 18, 2011	October 25 - November 2, 2011*	November 8, 2011	4.00	November 17, 2018
	Interim	January 17, 2012	January 23, 2012	February 1, 2012	2.00	February 18, 2019
	Interim	April 18, 2012	April 24, 2012	May 2, 2012	2.00	May 21, 2019
	Final	October 22, 2012	October 23 - 24, 2012 *	October 31, 2012	4.00	November 24, 2019
2012-2013	Interim	October 17, 2012	October 23 - 24, 2012 *	October 31, 2012	2.00	November 19, 2019
	Interim	January 17, 2013	January 22, 2013	January 30, 2013	2.00	February 17, 2020
	Interim	April 17, 2013	April 23, 2013	April 30, 2013	2.00	May 17, 2020
	Final	December 27, 2013	December 20 - 23, 2013 *	December 31, 2013	6.00	January 30, 2021
2013-2014	Interim	October 17, 2013	October 23, 2013	October 31, 2013	2.00	November 16, 2020
	Interim	January 16, 2014	January 23, 2014	January 31, 2014	4.00	February 15, 2021
	Interim	April 17, 2014	April 23, 2014	April 30, 2014	4.00	May 17, 2021
2014-2015	Interim	July 31, 2014	August 6, 2014	August 14, 2014	12.00	August 30, 2021
	Interim	October 17, 2014	October 23, 2014	November 3, 2014	6.00	November 16, 2021
	Interim	January 30, 2015	February 5, 2015	February 11, 2015	8.00	March 1, 2022
	Interim	April 21, 2015	April 27, 2015	May 5, 2015	4.00	May 21, 2022
2015-2016	Interim	August 3, 2015	August 10, 2015	August 17, 2015	5.00	September 2, 2022
	Interim	October 19, 2015	October 26, 2015	November 2, 2015	5.00	November 9, 2022
	Interim	January 19, 2016	January 28, 2016	February 4, 2016	6.00	February 18, 2023
2016-2017	Interim	April 28, 2016	May 13, 2016	May 13, 2016	6.00	May 29, 2023
	Interim	August 3, 2016	August 19, 2016	August 19, 2016	6.00	September 3, 2023
	Interim	October 21, 2016	November 7, 2016	November 7, 2016	6.00	November 21, 2023
	Interim	January 24, 2017	February 9, 2017	February 9, 2017	6.00	February 24, 2024

** Book closure dates*

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 27, 2016 (date of last Annual General Meeting) on the Company's website: www.hcltech.com and on the website of the Ministry of Corporate Affairs.

FINANCIAL CALENDAR (TENTATIVE AND SUBJECT TO CHANGE)

Financial reporting for the first quarter ending June 30, 2017	July 25-26, 2017
Financial reporting for the second quarter ending September 30, 2017	October 23-24, 2017
Financial reporting for the third quarter ending December 31, 2017	January 22-23, 2018
Financial reporting for the fourth quarter and year ending March 31, 2018	April 30-May 1, 2018
Annual General Meeting for the year ending March 31, 2018	August-September, 2018

Address for Shareholders' correspondence

The Secretarial Department
HCL Technologies Limited
Plot No.: 3A, Sector 126, Noida-201 304, UP, India
Tel. +91-120-6125000
Fax: +91-120-4683030
E-mail: investors@hcl.com

Compliance Certificate on the Corporate Governance from the Auditors

The certificate dated May 11, 2017 obtained from Statutory Auditors of the Company, M/s. S. R. Batliboi & Co. LLP, confirming compliance with the Corporate Governance requirements as stipulated under Schedule V read with Regulation 34 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed hereto.

CENTERS' LOCATIONS

Chennai – STPI		
64 & 65, Second Main Road, Ambattur Industrial Estate, Ambattur (AMB-3) Chennai- 600 058, India Tel.: +(91) 044 2613 3300 Fax: +(91) 044 4218 0653	D-12, 12B, Ambattur Industrial Estate, Ambattur (AMB-1), Chennai- 600 058, India Tel.: +(91) 044 2623 0711 Fax: +(91) 044 2624 4213	8, South Phase, MTH Road, Ambattur Industrial Estate Ambattur (AMB-6) Chennai- 600 058, India Tel: +(91) 044 43968000 Fax: +(91) 044 43967004
94, South Phase Ambattur Industrial Estate, Ambattur (AMB-4) Chennai- 600 058, India Tel: +(91) 044 4226 2222 Fax: +(91) 044 4215 3333	73-74, South Phase, Ambattur Industrial Estate Ambattur (AMB-5), Chennai- 600 058, India Tel: +(91) 044 4393 5000 Fax: +(91) 044 4206 0441	Arihant Technopolis 4 / 293 Old Mahabalipuram Road, Kandanchavadi, Chennai- 600 096, India Tel.: +(91) 044 43957777
Block-1, No. 84, Greams Road, Thousand Lights, Chennai- 600 006, India Tel.: +(91) 044 6622 5522	RMZ Millennia Business Park, Dr Mgr. veeranam road no 143, 3rd floor, campus 5, perungudi village, sholinganallur taluk, Kancheepuram District, Chennai - 600096 Tel.: +(91) 044 24540999	WSS Towers, First floor , No 107 & 108, Harris Road, Chennai-600008 Tel. : +(91) 044 33410700
Chennai SEZ		
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) 044 4746 1000 Fax: +(91) 044 6741 2222	ELCOT–SEZ Special Economic Zone, 602 / 3, 138, Shollinganallur Village, Shollinganallur - Medavakkam High Road, Tambaram Tamil Nadu, Kancheepuram (Dist), Chennai- 600 119, India Tel.: +(91) 044 61050000 Fax: +(91) 044 43325443	1st floor, Chennai one, Thoripakkam (ETL),SEZ Unit, First Floor, R / o at Chennai One IT Park, Pallavaram – Thoraipakkam 200 Feet Road, Chennai - 600097, Tamil Nadu, India Tel.: +(91) 044 49528436
Noida – STPI		
A- 9, 10 &11, Sector 3, Noida-201301, U.P., India Tel.: +(91) 0120 2520917 Fax: +(91) 0120 2520907	A11, Sector 16, Noida-201301, U.P., India Tel.: +(91) 0120 4383000 Fax: +(91) 0120 2510713	Plot No 1 & 2, Noida Express Highway, Sector-125, Noida-201301, U.P., India Tel.: +(91) 120 4046000 Fax: +(91) 120 4258946
A- 8 & 9, Sector 60, Noida-201301, U.P., India Tel.: +(91) 0120 4384000 Fax: +(91) 0120 4384606	B-34 / 3, Sector 59, Noida-201301, U.P., India Tel.: +(91) 0120 4364488 Fax: +(91) 0120 2589688	A - 22, Sector 60, Noida-201301, U.P., India Tel.: +(91) 0120 4365700 Fax: +(91) 0120 4347485
Noida SEZ	**Lucknow Non-STPI**	**Jaipur Non-STPI**
Noida Technology Hub (SEZ) Plot No: 3A, Sector-126, Noida-201304 U.P., India Tel: +(91) 0120 4683000 Fax: +(91) 0120 4683030	407,408, 4th Floor, Eldeco Corporate Tower Unit, Lucknow Tel:+(91)0522 6560105 / 4917670	SP-1, 2nd floor, Apex Circle, Malviya Nagar, Jaipur. Tel: +(91) 0141 4200000
Madurai- STPI	**Bhopal- Non-STPI**	
SPA IT Towers, Survey No. 155 / 1 and 155 / 2, 120 Feet Road, Near Preethi Hospital, Opp. Mattuthavani Bus Stand, Madurai-625020, Tamil Nadu, India Tel.: +(91) 0452 4022600	E-7 / 635,Campion School Square, above PNB Bank, Arera Colony, Bhopal, M.P. -462016 Tel.: +(91) 7556450457 / 7556451063	

Bangalore – STPI		
No-137, Ground Floor, Vayu Block, 'B' Wing, Salarpuria GR Tech Park, Whitefield, Bangalore-560066. Tel.: +(91) 080 49214600	"Surya Sapphire", Plot No.3, Survey House No 20 & 22, Konappanan Agrahara Village, Electronic City, Hosur Road, Bangalore-560100. Tel.: + (91) 080 66267000 Fax: +(91) 080 28529100	INA Elite Hospitality Pvt Ltd. First Floor; Plot No: 71 / 72, 6th Block, Industrial Layout, Koramangala, Bangalore – 560095 Tel.: + (91) 080 25634627
SJR Equinox, Survey No. 47 / 8, Dhodda Thogur Village, Begur Hobli, Electronic City- 1st phase, Bangalore-560100 Tel.: +(91) 080 33209000 Fax: +(91) 080 33208000	Karle Town Centre Survey Nos. 72, 91 / 3 and 91 / 4, Nagavara Vill, Kasaba Hobli, Bangalore North Taluk, Bangalore - 560045 Tel.: + (91) 080 -66390100	
Bangalore SEZ		
Special Economic Zone, 129, Tower-1 Jigani Industrial Area, Bommasandra Jigani Link Road, Bangalore-562106 Tel.: +(91) 080 67810000 Fax: + (91) 080 66311111	Special Economic Zone, 129, Tower-2 Jigani Industrial Area, Bommasandra Jigani Link Road, Bangalore-562106 Tel.: +(91) 080 67810000	Special Economic Zone, 129, Tower-3 Jigani Industrial Area, Bommasandra Jigani Link Road, Bangalore-562106 Tel.: +(91) 080 67812000 Fax: + (91) 080 66311111
Special Economic Zone, 129, Tower-4 Jigani Industrial Area, Bommasandra Jigani Link Road, Bangalore-562106 Tel.: +(91) 080 67813001	Manyata Embassy Business Park – SEZ,Block C4(ELM), 1st Floor of Wing A & Wing B,Outer Ring Road, Nagavara & Rachenahalli Villages, KR Puram Hobli, Bangalore – 560045	
Gurgaon – STPI	**Gurgaon – Non STPI**	
Plot No CP-3, Sector - 8, Techno Park, Manesar-122052 Haryana, India Tel.: +(91) 0124 6186000 Fax: +(91) 0124 4012518	Plot No. 243, Udyog Vihar Phase 1, Dundahera, Gurgaon-122016 Haryana, India Tel.: +(91) 0124 4421201	
Kolkata - STPI	**Kolkata - Non STPI**	**Kolkata - SEZ**
SDF Building, 1st & 3rd Floors, Module Nos. 212-214, 228-230 & 413, Block-GP, Sector-V, Salt Lake, Kolkata-700091, India Tel.: +(91) 033-40308200 Fax: +(91) 033 23573027	22, Camac Street, Block ‘A’, A-4 (I) 4th Floor, Kolkata - 700016 Tel.: +(91) 033 22837495 / 96 Fax.: +(91) 033 22837497	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-700156, India Tel.: +(91) 033 3027-2350 / 2341 / 2430
Hyderabad - SEZ		
H08, Building, HITEC CITY-2 Phoenix Infocity SEZ, Survey No. 30,34,35 & 38, Madhapur, Hyderabad-500081 Land Mark: Behind Cyber Gateway. Tel.: +(91) 040 30941000	H01B, HITEC CITY-2, Survey No. 30,34,35 & 38, Phoenix Infocity Pvt. Ltd. Behind Cyber Gateway, Madhapur, Hyderabad-500081 Tel: + (91) 040 30904000	Business Services, Pawani Plaza, 6-3-698 / A Hyderabad, TG (India) Tel.: +(91) 040 42027025
Pune - STPI	**Pune SEZ**	
Wing 01, Tower A, Survey No. 103, Hissa No. 2, Airprot Road, Yerwada, Pune-411006 Tel.: +(91) 020-67411000	Tower-7, Upper Ground Floor, Wing A&B Magarpatta SEZ Hadapsar, Pune-400013 Tel.: +(91) 020 30406300	
Coimbatore - Non STPI	**Coimbatore – SEZ**	
KCT Tech Park, Kumaraguru College of Technology Campus, Coimbatore -641035	Module 201 to 206, Tidel Park Coimbatore Limited ELCOT SEZ - IT\ITES Villankurichi Road, Civil Aerodrome Post, Coimbatore -641004 India Tel.: +(91) 0422 6657525	

COMPLIANCE WITH MANDATORY AND NON-MANDATORY REQUIREMENTS OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 provides certain mandatory requirements which have to be fulfilled by the Company. The Company has complied with all the mandatory requirements of the Listing regulations. Listing regulations further states certain non-mandatory requirements which may be implemented as per the discretion of the Company. The Company complies with the following non-mandatory requirements:

1. **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.

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

   The Company leverages the internet in communicating with its investors. After the announcement of the quarterly results, a business television channel in India telecasts discussions with the management. This enables a large number of retail investors in India to understand the Company's 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. The quarterly financial results are also published in English and Hindi daily newspapers.

2. **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 March 31, 2017.

3. **Separate posts of Chairman and CEO**

   The positions of the Chairman and the CEO are held by separate individuals. Mr. Shiv Nadar is the Chairman of the Company and Mr. C. Vijayakumar is the CEO of the Company.

4. **Reporting of Internal Auditor**

   The Internal Auditor of the Company directly reports to the Audit Committee on functional matters.

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE PURSUANT TO SCHEDULE II READ WITH REGULATION 34 (3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To

The Members of HCL Technologies Limited

We have examined the compliance of conditions of corporate governance by HCL Technologies Limited, for the year ended on March 31, 2017, as stipulated in chapter IV of Securities and Exchange Board of india (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement ("Regulation") of the said Company with stock exchange(s).

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 provisions as specified in chapter IV Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to Listing Agreement of the said Company with stock exchange(s), except for conditions as stipulated in Regulation 26(1) to (6) for one of the director (since deceased) of the Company.

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
Chartered Accountants
ICAI Firm registration number: 301003E/E300005

per Tridibes Basu
Partner
Membership No.: 17401

Place: Gurgaon
Date: May 11, 2017

DECLARATION BY CHIEF EXECUTIVE OFFICER PURSUANT TO SCHEDULE V(D) READ WITH REGULATION 34 (3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

We, Shiv Nadar, Chairman & Chief Strategy Officer and C. Vijayakumar, 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 website.

We, further confirm that the Company has in respect of the financial year ended March 31, 2017, received from its Board members as well as senior management personnel affirmation as to compliance with the Code of Conduct.

Shiv Nadar
Chairman and Chief Strategy Officer

C. Vijayakumar
President and Chief Executive Officer

Place: Noida (U.P.), India
Date: May 11, 2017

CERTIFICATE BY CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) PURSUANT TO PART B SCHEDULE II READ WITH REGULATION 17 (8) of SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

The Board of Directors
HCL Technologies Limited
New Delhi

Dear members of the Board,

1. We have reviewed the financial statements and the cash flow statement of the Company for the year ended March 31, 2017 and to the best of our knowledge and belief -

   (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.

4. We have indicated to the Auditors and the Audit Committee–

   (i) that there are no significant changes in internal control over financial reporting during the year;

   (ii) that there are no significant changes in accounting policies during the year; and

   (iii) that there are no instances of significant fraud of which we have become aware.

C. Vijayakumar
President & Chief Executive Officer

Shiv Nadar
Chairman and Chief Strategy Officer

Anil Chanana
Chief Financial Officer

Prahlad Rai Bansal
Deputy Chief Financial Officer

Place: Noida (U.P.), India
Date: May 11, 2017

BUSINESS RESPONSIBILITY REPORT 2017

Introduction:

At HCL we believe in contributing to the ecosystem in which we operate. We are conscious of the interdependencies and aim to balance the needs of all stakeholders while implementing our sustainability actions. We have always been conducting our business responsibly by employing an integrated approach covering economic, environmental and social aspects.

We are happy to present the Business Responsibility Report of the Company for the Financial Year ended March 31, 2017, pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Business Responsibility Report covers the responses across Environment, Governance and Stakeholder relationships of all the business units directly under HCL Technologies Limited (HCL).

Section A: General Information about the Company

1. **Corporate Identity Number (CIN) of the Company:** L74140DL1991PLC046369
2. **Name of the Company:** HCL Technologies Ltd.
3. **Registered address:** 806, Siddharth, 96, Nehru Place, New Delhi-110019 India
4. **Website:** www.hcltech.com
5. **E-mail id:** investors@hcl.com
6. **Financial Year reported:** April 1, 2016 to March 31, 2017.
7. **Sector(s) that the Company is engaged in (industrial activity code-wise):** IT Infrastructure Services, Engineering and R&D Services, Software Application Services and Business Process Services.
8. **List three key products / services that the Company manufactures / provides (as in balance sheet):** Computer Programming, Consultancy and Related Activities
9. **Total number of locations where business activity is undertaken by the Company -**
   a) **Number of International Locations (Provide details of major 5):** Operating in 32 countries across the Americas, Europe, APAC and MEA. For details please refer to our website - https://www.hcltech.com/geo-presence
   b) **Number of National Locations:** 67 locations
10. **Markets served by the Company** - Americas, Europe, APAC and MEA. For details please refer to our website - https://www.hcltech.com/geo-presence

Section B: Financial Details of the Company

1. **Paid up Capital (INR): (as on March 31, 2017) -** INR 285.36 crores
2. **Total Turnover (INR): (as per the consolidated Financial Statements for the year ended March 31, 2017) -** INR 47,567.53 crores
3. **Total profit after taxes (INR): (as per the consolidated Financial Statements on March 31, 2017) -** INR 8,606.47 crores
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax -** Refer to Annexure 4 of the Director's Report which forms part of the Annual Report.
5. **List of CSR activities in which expenditure has been incurred:** Refer to Annexure 4 of the Director's Report which forms part of the Annual Report.

Section C: Other Details

1. **Does the Company have any Subsidiary Company / Companies?** Yes
2. **Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s):** Yes, we have 92 subsidiary companies.
3. **Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]:**

   As a responsible organization we educate our suppliers and distributors on the BR initiatives of the organization. Also, during various vendor meets and other knowledge sharing platforms, we engage in sharing the BR initiatives.

Section D: BR Information

1. **Details of Director / Directors responsible for BR**
   a) **Details of the Director / Director responsible for implementation of the BR policy / policies**
      - DIN Number - 00030840
      - Name - Ms. Robin Ann Abrams
      - Designation - Independent Director

b) **Details of BR head**

S. No.	Particulars	Details
1.	DIN Number (if applicable)	N.A.
2.	Name	Mr. Ajay Davessar
3.	Designation	Vice President & Global Head - Corporate Communications
4.	Telephone number	9650122336
5.	E-mail ID	ajay.davessar@hcl.com

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

Principle-wise (as per NVGs) BR Policy / policies (Reply in Y / N)										
S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for P1 to P9	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards?	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy been approved by the Board? Is yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	* Link given below	Available on intranet	Available on intranet	* Link given below	Available on intranet	Available on intranet	Available on intranet	* Link given below	* Link given below
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

***https://www.hcltech.com/socially-responsible-business/management-approach-and-policies,**
***https://www.hcltech.com/investors/governance-policies**

BRR Principle mapping to HCL Policies

S. No.	Policy Name	Principle Mapping
1	Employee Code of Business Ethics and Conduct	P1
2	Equal Opportunity Employer	P4, P5
3	Environment Policy	P6, P2
4	Occupational Health and Safety Policy	P3, P5
5	Anti-Bribery and Anti-Corruption Policy	P1
6	Prevention and Redressal of Sexual Harassment	P3, P5
7	Whistleblower Policy	P1, P5
8	Procurement policy	P2
9	Siting Policy	P8
10	Social Media Policy	P7
11	Supplier Diversity Policy	P4
12	Stakeholder Engagement framework	P4, P9
13	Business Gifts and Entertainment Policy	P1

P. No.	BRR Principles
1	Businesses should conduct and govern themselves with ethics, transparency and accountability
2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
3	Businesses should promote the well-being of all employees
4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
5	Businesses should respect and promote human rights
6	Businesses should respect, protect, and make efforts to restore the environment
7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
8	Businesses should support inclusive growth and equitable development
9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

3. **Governance related to BR**

a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. - Within 3 months, 3-6 months, annually, more than 1 year.**

We have a Corporate Social Responsibility (CSR) Committee of the Board which oversees the CSR activities. For details on the frequency of the CSR Committee meetings, kindly refer to the *"Frequency and length of meeting of the Committees of the Board and Agenda"* section in the Corporate Governance Report which forms part of the Annual Report.

b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

Yes, the Company publishes the Sustainability Report or BR annually. Link for the sustainability report - https://www.hcltech.com/socially-responsible-business

Section E: Principle-wise performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. **Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**

The anti-bribery and anti-corruption policy of HCL applies to all stakeholders associated with the organisation and individuals worldwide working for all affiliates and subsidiaries of HCL at all levels and grades, including directors, senior executives, officers, employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, seconded staff, casual workers, volunteers, interns, agents, or any other person associated with HCL.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the Management? If so, provide details thereof, in about 50 words or so.**

HCL did not have any significant corruption or bribery cases registered during the financial year ended March 31, 2017.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

The following service offered by HCL address social or environmental concerns, risks and / or opportunities –

Green Data Center methodology

Lately, there has been a proliferation of data with every click, conversation, transaction, and behavior that is being analyzed and stored. This leads to an increased demand for greater storage and processing power. To meet this requirement, enterprises buy data storage space from data centers. However, this proves to be costly and is not energy efficient. There is a growing concern among IT leaders about the negative impact of high consumption of energy on the environment. They are on the lookout for cost-efficient technologies which not only cater to an organization's data storage needs but are environment-friendly as well. Through Certified Alliance Partnership Program (CAPP), HCL has partnered with providers who have built green data centers in environment-friendly facilities and implemented recent technologies such as high-density racks, ultrasonic humidification, high-efficiency harmonic mitigating transformers (HMT's), and variable frequency drives (VFDs).This has helped HCL deliver expert support and green data center solutions along with clean, affordable energy. Leveraging green data center methodology, HCL has attained close to 80% virtualization for its enterprise customers. By opting for HCL's Next Gen Green Data Center Methodology, enterprises can expect facility, technology, and management assessment, green procurement, e-waste recycling programs, new data center design, power and cooling management along with reporting, monitoring, and management.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

   a) **Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?**

   b) **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

   Being a responsible corporate, HCL through its "Environmental Policy" has made a commitment to conserve the environment by adopting a "Go Green" approach. Many initiatives were undertaken to reduce environmental impact arising out of our business activities. Some of them are listed below:

a) **Balancing Employee Comfort and Green Infrastructure Requirements Initiatives**

i. **Building and Architecture**

1. Orientation of buildings is planned in such a way that it minimizes heat gain through façade after extensive sun path analysis.
2. All open terraces have over / under deck insulation to save energy.
3. High performance glazing system is used to reduce solar heat gain to interior space and have maximum natural light.
4. Shading devices provide for façade to reduce the heat gain to interior space.
5. Solar water heater supplies hot water for cafeteria needs. Underground rainwater storage tank harvests water from all building terraces.
6. Open areas are landscaped with trees, lawns and shrubs to create a clean and comfortable atmosphere.
7. All the materials used in the building construction are environment friendly with low VOC as per acceptable norms. For e.g., paints, carpets, furniture, ceiling material etc.

ii. **Lighting**

1. LED based light fixtures are used.
2. Entire street and landscape lighting is LED based.
3. Day light sensors use maximum sunlight used in the buildings.
4. Occupancy based light switching system is used to minimize power consumption.
5. High efficiency light fittings with T5 lamps are used.

iii. **UPS System**

1. UPS systems with IGBT technology have been installed for low THD.

2. High efficiency UPS have been installed to reduce energy loss.

iv. **HVAC System**

1. Water-cooled chillers are installed for power saving and STP water utilization.

2. Chillers are provided with VFD starter for optimized and efficient operation.

3. High efficiency VRF air conditioners, which have very low power consumption and deliver maximum cooling and maximum air, are used.

4. All AHU equipment is designed with VFD system for optimized operation.

5. VAV installed in the ducting system to optimize air conditioning based on occupancy requirement.

6. Heat recovery wheels with treated fresh air units installed to reduce heat gain to air-conditioned area. Pumps are installed with VFD to reduce the energy loss.

v. **BMS System**

Building Management System is used to optimize the operation and maintenance of all the utility and services in the campus

vi. **Other Interventions/ Initiatives**

- Utilization of STP water after treatment in horticulture.
- Deployment of organic waste converter in all major campuses for converting waste into useful manure.
- Conversion of diesel vehicles into CNG vehicles for pick-up/drops.
- Working towards conversion of transport fleet from small to bigger cabs by means of realignment of shifts.
- Compliance with prescribed approvals/ standards for emissions, hazardous / bio-medical / solid waste.
- Running awareness programmes on environmental conservation.
- Sourcing of star rated utility equipment for environmental conservation.
- Use of highly efficient LED lighting solutions
- Use of CFC free refrigerants in office air-conditioning.
- Use of video-conferencing to cut down on unnecessary travel cost and environmental protection.

b) <u>Energy Conservation Initiatives:</u>

i. Renewable Power Purchase

In continuation with our commitment to reduce per capita carbon footprint by 33% by financial year 2020, we have procured green power equal to 10,967 MWH for our centers during April 2016 to March 2017. The source of this power was hydro, wind and solar-based electricity. Green power purchase helped the organization reduce carbon footprint of 10,528 tCO_2e* (ton of carbon emission) over other available power resources like grid and captive.

ii. **Solar Roof Top Installation at Manesar, Gurugram**

60 kWp grid connected solar roof top has been installed and is in use at our Manesar facility. One-time capital expenditure incurred towards this intervention is INR 0.36 crores. This implementation will enable the organization to use 90 MWH annual generation from solar panels with estimated annualized reduction on carbon footprint of 86 tCO_2e* (ton of carbon emission) over other available power resources like grid and captive.

iii. **Solar Roof Top Installation at SEZ Bangalore**

50 kWp grid connected solar roof top was installed and was in use from May, 2017. One-time capital expenditure incurred towards this intervention is INR 0.47 crores. This implementation will enable the organization to use 72 MWH annual generation from solar panels with estimated annualized reduction on carbon footprint of 69 tCO_2e* (ton of carbon emission) over other available power resources like grid and captive.

iv. **Conventional Lighting set-up replacement with LED Lighting:**

In all major SEZ locations, various types of lighting fixtures existed and were maintained as per the usage pattern. Some of the lighting fixtures were conventional and obsolete and these are being replaced with the fast evolving lighting technologies.

Replacement of all the existing conventional lighting fixtures with more efficient LED lighting was executed. In comparison to CFL, LED has lot of advantages. For example:

- LED uses less power for same lumen output as given by CFL
- Life of LED lights is 10 times more than CFL
- LED lighting generates less heat than CFL
- LED does not contain Mercury or other toxic heavy metals
- LED does not emit UV radiation

One of the reputed international brands was shortlisted to implement this cost saving solution based on performance contracting for all three SEZ locations (i.e. Noida, Bangalore and Chennai).

Benefits – In financial year ended March 31, 2017, the organization has saved 2,406 MWH of absolute energy which helped HCL to reduce 2,310 tCO_2e* (ton of carbon emission). This has led to increase in operational efficiency.

v. **Chiller & AHU Operational Performance Improvement:**

Solution Approach / Remedial Action : - During a study different modes of operations were observed within the installed AHU units and many AHUs were single constant speed units in SEZ Noida, which resulted in more energy consumption.

A solution was worked out for all such devices with the installation of VFDs including low side automation wherever feasible. This is not only optimizing usage of the equipment but also reducing the heat load at chiller end. One of the reputed international brands was shortlisted to implement the energy cost saving solution on performance contracting.

Benefits - In financial year ended March 31, 2017, the organization has saved 1,815 MWH of absolute energy which helped HCL to reduce 1,742 tCO_2e* (ton of carbon emission) that led to an increase in operational efficiency.

vi. **Auto Condenser Cleaning in Chillers**

Solution approach / Remedial action - During a study it was observed that the rate of deposition at the condenser of chillers is on a higher side over a period of time due to alkaline properties of water and its effect is being rippled across on the efficiency of the chiller.

Auto Condenser cleaning system for chillers were worked out which have automatic ball injection system at periodic intervals. This auto cleaning technology does not allow the deposition to take place and thus improves the performance of the equipment and optimize the energy consumption.

One of the reputed international brands was shortlisted to implement the energy cost saving solution on performance contracting for air conditioning system installed at Noida SEZ Campus.

Benefits - This intervention enabled the organization to save annualized energy in terms of units 103 MWH. Total annualized reduction on carbon footprint estimated is 99 tCO_2*.

vii. **Other Energy saving interventions**

To conserve the environment by adopting “Go Green Initiatives” and increase operational efficiency, other initiatives have been undertaken and attributed towards reduction in carbon footprint as captured below: -

Other Energy Optimization Interventions	Reduction in Carbon foot print during Apr'16-Mar'17 Period (tCo_2)
Effective utilization of UPS	456
Revised operating conditions for DC cooling	105
Revised temperature settings for work areas	242

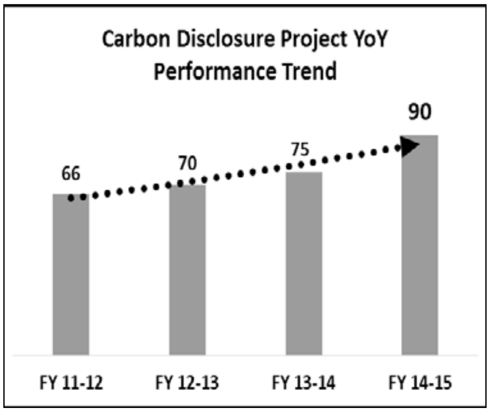
** Conversion reference Grid Emission Factors - CO2 Baseline Database for the Indian Power Sector.*

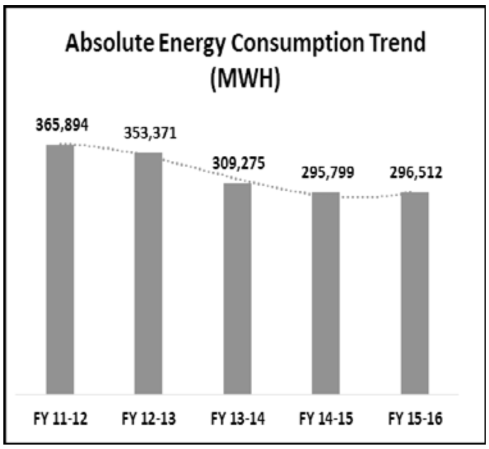
c) **Key Projects - Carbon Disclosure Project**

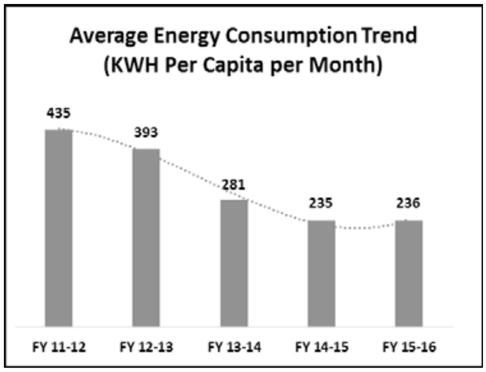
i. Our sustainability target is to reduce "per capita carbon footprint (tCO_2e/ employee) by 20% over the base year 2011" by the year 2020. By the year 2016 we have been able to reduce by 27.37% over the base year.

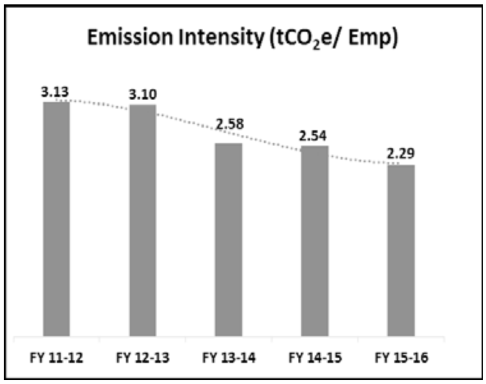
ii. Since our original goal to reduce the per capita carbon footprint by 20% over the base year 2011 has been accomplished, the long term goal has been revised to reduce per capita carbon footprint by 33% over the base year 2011.

iii. Since FY 15-16, CDP has adopted 4 (four) step approach to gauge the companies. It means that they have done away with the marking methodology and have adopted grading system. Leadership grade is the highest, followed by Management, Awareness & Disclosure. Our organization has found a place in the '**Management'** category.









3. **Does the Company have procedures in place for sustainable sourcing (including transportation)?**

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Yes, HCL has procedures in place for sustainable sourcing. The procurement approach is guided by the Purchase Manual, which is based on our equal opportunity policy. The organization does not discriminate any vendor based on gender, nationality, ethnicity, religion, disability etc. Vendors that are committed to upholding human rights and operate keeping environmental issues in mind are given preference, while all other factors relating to quality and the competitive aspects of the quotes remain the same as others.

Vendors that are identified to have unethical practices are removed from the supplier-vendor list. The organization carried out an audit of vendor practices and did not identify any vendor who had violated the procurement contractual requirements. Their operations were audited at the time of renewing the contract including aspects of right to exercise freedom of expression and collective bargaining as well as benefits that need to be passed on to their staff.

Vendors go through an appraisal process where they are appraised on the parameters like cost, quality, delivery and sustainability / environment / compliance. The organization procures IT equipment and software from vendors committed to sustainability. For non IT resources, the organization strictly monitors the vendors for statutory compliance. The organization continues to strengthen policies on sustainable procurement for infrastructure development projects.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The organization ensures that preference is given to local vendors for outsourcing jobs pertaining to facilities management, procurement of materials for infrastructure development and other operations.

There are various steps which are taken from time to time at regular intervals and we conduct various capacity and capability building workshops and trainings.

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Yes, HCL does undertake techniques for waste management in order to optimize resources. Listing below various steps which we undertake for our utility and services.

a. **Water Management**

1. All washrooms are fitted with sensor taps to optimize water usage.
2. All western closets have dual flush system to minimize water wastage.
3. Sewer Treatment Plant (STP) is installed within campus to treat the sewer water and reuse for flushing, landscaping and HVAC make up water. There is no water discharge from campus.
4. Timer-based automatic controls for water sprinklers are installed to conserve water used for lawn maintenance.
5. 100% replacement of plastic and paper cups with ceramic mugs.
6. 100% replacement of tissue towels from washroom with hand dryers.
7. Printer pin deployment to save paper.
8. Environment friendly refrigerants are used for air conditioning.
9. Rain water recharging pits have been created (14 PITS created in NOIDA campus).

b. **Water treatment and Reuse**

All large HCL facilities in India have Sewage Treatment Plants (STP). The treated effluent from the STP is tested regularly against various national and state effluent standards and recycled for use in washroom flushing and gardening.

During financial year ended March 31, 2017, we treated and reused water across all India operations. We also continue with installing Rain Water Harvesting (RWH) plants in all office buildings with significant operations and we have harvested rain water.

c. **Waste Management**

Organic waste converter with a capacity of 1000 kg per day is provided to generate manure out of organic waste (from kitchens, cafeteria, and garden).

i. **E-waste –** Conventional lights have been replaced with LED based lights, thereby reducing the harmful effects of mercury and reducing the health and environmental concerns. Projectors have also been replaced with LEDs, thus contributing significantly to power consumption and at the same time reducing the waste.

ii. **Paper –** The campus strives to become a paperless campus and thus, suitable measures like, printer pin deployment, printer on alternate floors, setting up maximum printing limit, double side printing and reduction in font size are encouraged. These measures have resulted in significant conservation of paper.

iii. **Reduce, Recycle, Reuse –** The waste management programs are based on the principles of 3R – we measure and quantify all the waste generated by us. The waste is categorized according to the source and disposal. The hazardous waste is disposed of in environment friendly manner, Paper waste is recycled and reused. Bio medical waste is disposed of in a safe manner. Food remains and garden waste are reused to make manure.

Principle 3: Businesses should promote the well-being of all employees

1. **Please indicate the Total number of employees.**

   HCL's global employee count stands at 1,15,973 as on March 31, 2017.

2. **Please indicate the Total number of employees hired on temporary / contractual / casual basis.**

   Most of our employees works as full time permanent employees. However, we do employ contract staff for non-core activities such as operations, maintenance, security and house keeping services. This number changes as per the requirements throughout the year.

3. **Please indicate the Number of permanent women employees.**

   24% of the total full-time workforce at HCL comprises women employees.

4. **Please indicate the Number of permanent employees with disabilities.**

   Being an equal opportunity employer and a responsible organization, we do not mandate the disclosure of disability. From April, 2016 to March, 2017, 150 persons with disabilities have voluntarily declared their status.

5. **Do you have an employee association that is recognized by Management?**

   Yes, in the commitment to engage employees from diverse backgrounds meaningfully, HCL actively supports and fosters a number of Employee Resource Groups (ERG). These groups are a recognized component of an inclusive organization. These ERGs are led and driven by employees themselves and use a multi-dimensional approach and act as platforms for employees to anchor organizational change and development. Given below are some of them for reference.

   a. **ADEC (African Diaspora Employee Council)**

      The African Diaspora Employee Council (ADEC) assists in building and retaining a highly-qualified, diverse workforce by promoting professional and personal development opportunities for its members. It also strengthens linkages to and within our diverse communities and African American-based organizations and markets. During financial year ended March 31, 2017, the group organized a networking event and celebrated the Black History Month to engage employees at our Global Delivery Centre at Cary, North Carolina.

   b. **Ability Connect**

      This employee network facilitates an environment that helps advance differently-abled employees by suggesting policies and programs to support inclusion and growth. From April, 2016 to March, 2017, 150 PWDs have voluntarily declared their status.

   c. **Chargers**

      The Chargers Program aims to engage with employees and provide them with opportunities to pursue their interests in sports, health and wellness, photography, dance and music, knowledge and problem solving, and specific hobbies with like-minded employees.

      The Hobby Clubs anchored by the Chargers have over 30,000 HCLites as members globally. Clubs like Foodies, Bikers, Photographers, Quizzers, Polyglots and Toastmasters are famous networks in HCL. Hobby classes are organized within the office premises to help employees learn more about their interests. In addition to these passion clubs, we have a number of employee engagement events at our various work sites. All employees are members of this association but the charter runs with select representatives who form 1% of the total workforce.

   d. **iBelieve – The HCL Women Connect**

      HCL's Women Connect aims to engage and advance women through development programs, advocate gender neutral work environment by suggesting appropriate policies and position HCL as an employer of choice by women across the globe. This group also coaches and counsels aspiring young women professionals, and shares experiences on work- life priorities. There were "Feminispiration" events organized by Women Connect this year, in which women achievers were invited to speak. In financial year ended March 31, 2017, 7,000+ women employees were covered through 210 sessions. In addition to Women Connect, HCL offers a number of support systems to help women manage work and life priorities. These include life coach support, day care in office premises, concierge services through AHA, and policies such as extended maternity leave, work from home, flexi careers and flexi work hours. All these have helped young women, especially those who take maternity breaks to pursue or resume their careers. In the financial year ended March 31, 2017, around 13,000+ employees were covered through Women Connect sessions, Heritage and ADEC forums.

e. **Community Champions**

This employee network is the largest and continues to grow every day. Community Champions are a group of community service volunteers, who lead the HCL Foundation activities. Approximately 6,836 new volunteers joined the network in financial year ended March 31, 2017.

6. **What percentage of your permanent employees is members of this recognized employee association?**

Details and break up in terms of participation under various employee forums provided in point number 5 (employee association organized by Management)

7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

S. No	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour / forced labour/ involuntary labour-	N/A	N/A
2.	Sexual harassment	8	Nil
3.	Discriminatory employment	Nil	Nil

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**
   - **Permanent Employees**
   - **Permanent Women Employees**
   - **Casual / Temporary / Contractual Employees**
   - **Employees with Disabilities**

In financial year ended March 31, 2017, 1,12,480 employees received training through various programs.

Band Categorizations	Female	Male	Total
Executives	19,337	42,441	61,778
Managers	5,422	26,697	32,119
Senior Managers	1,689	14,825	16,514
Leadership	148	1,921	2,069
Grand Total	**26,596**	**85,884**	**1,12,480**

The above data is inclusive of permanent employee, permanent women employees, casual / temporary / contractual employees and employees with disabilities. Our training programme covers all employees irrespective of race, gender or physical disability. Our training programmes are designed basis our training strategy and continuous learning interventions and skill upgradations.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1. **Has the Company mapped its internal and external stakeholders? Yes / No**

Yes, HCL maps its internal and external stakeholders. Please find below a detailed note on our stakeholders mapping and Business Responsibility priorities.

The stakeholder's engagement during the financial year ended March 31, 2017 helped us to reconfirm our materiality matrix against our four pillars of Responsible Business, Redefine Workplace, Renew Ecosystem and Repay Society.

- **Responsible Business:** A comprehensive risk management framework and business continuity processes and innovation-based solutions for customers and supply chain management.
- **Redefine Workplace:** Employee career development programs, gender diversity at work place, and safety and security of women employees in India.
- **Renew Ecosystem:** Certifications, energy management and water conservation.
- **Repay Society:** Understanding CSR law in India and drafting a strategy to align with the requirements, building the capacity of NGOs to support us in the long term, enabling skills development for youths in urban slums as well as in key geographies where we operate (USA and UK), empowering women and identifying sectors for rural development in India.

The priorities, whether high, medium or low, are based on what the stakeholders and the organization value collectively on a mutual sustainable journey. The issues that are mentioned toward the core of this matrix are of high significance to the organization and also to stakeholders.

The significance of material issues is determined by the measure of two parameters: (1) Importance to stakeholders (2) Importance to HCL's business. The stakeholders' engagement at HCL is a continuous process and there has been no change in the materiality matrix identified by the company for reporting:

Materiality Matrix

Details of the stakeholder engagement and outcomes are provided below:

Stakeholder	Key Sustainability Priority	Sections in which priorities are addressed
Employees	Wellness and well-being, career development, learning forums, grievance channels, and hobby clubs	Redefine Workplace, Repay Society
Customers	Innovative IT solutions, Green IT	Responsible Business
Vendors and Suppliers	Adherence to quality norms, and ethical procurement	Responsible Business, Redefine Workplace
Immediate communities in which we operate	Education, employability trainings, women empowerment and health / sanitation	Repay Society
Investors and Shareholders	Transparency and maintenance of high degree of disclosure levels and focus on good corporate governance	Responsible Business
NGOs, and Advocacy Groups	Community development, capacity development, advocacy on human rights issues such as diversity, safety, advocacy on environment and climate change	Renew Ecosystem, Repay Society

2. **Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.**

   Yes, they have been identified basis the materiality matrix index.

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.**

   Yes, as a socially responsible organization, we stand committed towards the welfare of the communities and around us. There are various community engagement activities which are undertaken for the welfare of disadvantaged, vulnerable and marginalized stakeholders. Details of various activities are listed under Principle 8.

Principle 5: Businesses should respect and promote human rights

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**

   HCL's policies also extend to all group companies, suppliers, vendors and NGO partners. The various policies that guide the HR practices are Equal Employment Opportunities and Human Rights, Employee First Philosophy, Diversity Plan, Corporate Governance Policies, COBEC & ABAC Policies, Whistle Blower Policy, Equal Opportunity Employer and Prevention & Redressal of Sexual Harassment at Workplace Policy.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the Management?**

   The organization continues to address grievances pertaining to harassment or discrimination through a secure channel. We investigated and resolved 8 significant cases during financial year ended March 31, 2017. The organization received 16 complaints from the shareholders regarding non-receipt of dividends, share certificates and annual report and the same were resolved satisfactorily.

Principle 6: Businesses should respect, protect, and make efforts to restore the environment

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others?**

   Yes, HCL's Environmental Policy is for all the people working for and on behalf of the organization including all companies, suppliers, contractors, NGOs and all our stakeholders.

2. **Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc.? Y / N. If yes, please give hyperlink of webpage etc.**

   Yes, HCL has taken initiatives to reduce the ecological footprint through various ways. Also, HCL is committed to reduce the pollution and minimize the waste generation by adopting Reduce - Reuse - Recycle Philosophy.

   Being a responsible corporate, HCL through its "Environmental Policy" has made a commitment to conserve the environment by adopting a Go Green approach. Many initiatives were undertaken to reduce environmental impact arising out of our business activities.

3. **Does the Company identify and assess potential environmental risks? Y / N**

   Yes, HCL has identified and assessed all the potential environmental risks with its control measures. The effective Environmental Management System is also in place which is in line with ISO 14001 Standard's requirements.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

   HCL is not involved in Clean Development Mechanism (CDM) and in any carbon trading. We have not registered any of our projects for carbon trading. However, as a responsible organization, we have set our own goal to reduce per capita carbon emission by 33% by 2020. Taking 2011 as the base year we have achieved 27.37% until 2016. HCL also actively participates in CDP and discloses its carbon emissions publically.

5. **Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y / N. If yes, please give hyperlink of webpage etc.**

   Yes, HCL has been undertaking initiatives on clean technology, energy efficiency, renewable energy etc. and also targeting for 20% of the purchased and/ or captive source to be substituted with renewable energy.

6. **Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?**

   Yes, all the emissions and waste generated are well within the CPCB/SPCB permissible limits.

7. **Number of show cause/ legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

   HCL did not receive any notice from CPCB / SPCB and no such cases are pending as on March 31, 2017.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. **Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

   Many of our senior leaders play key roles in the advisory councils and steering bodies. These include prestigious forums, some of which are mentioned below:

   - **WORLD ECONOMIC FORUM**: HCL is a strategic partner at the forum, which is the highest level of partnership available for any organization across the globe. The forum has defined industry clusters and communities that partner companies can participate/ support throughout the year.

   - **NASSCOM:** HCL has been a member of National Association of Software Services Companies (NASSCOM) since 1999. HCL abides by all rules, regulations, guidelines and best practices prescribed by this apex body of all technology and information service provider companies in India.

   - **CII:** HCL is a member of the Confederation of India Industries (CII). HCL abides by all rules, regulations, guidelines and best practices prescribed by this apex body of all corporations in India.

   Additionally, we also work with country specific trade bodies and associations like UKTI, USIBC, etc.

2. **Have you advocated / lobbied through above associations for the advancement or improvement of public good? Y / N. If yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).**

   HCL believes that it is our responsibility to work for the advancement and improvement of public good. This is an on-going effort and depending on the business and regional needs we align ourselves to the programs and initiatives being planned by the trade bodies and associations. Alternately we also ideate and make programmes with these associations as part of our relationship building exercise.

Principle 8: Businesses should support inclusive growth and equitable development

1. **Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof.**

   There are various programmes and initiatives to support inclusive and equitable growth. The following are the details about the various activities we undertake through HCL Foundation.

   HCL Foundation was established in 2011 as the corporate social responsibility arm which aims to alleviate poverty and achieve inclusive community growth and development. Active community engagement ensures optimal long-term investments in education, health, livelihoods and environment, as well as providing disaster response and rehabilitation support.

   HCL Foundation is a gold standard not-for-profit organisation that uses international development standards to implement CSR programs that bring lasting impacts in the lives of people across urban and rural areas of India. In achieving its goals, the Foundation emphasizes:- on Credibility, Transparency, Accountability, Outreach to the Unreached and Sustainability.

   HCL Foundation addresses issues that matter through an Integrated Community Development Approach (ICDA). All the programs are aligned to Sustainable Development Goals & National Mission thus contributing to the goal of nation building. The Foundation ensures that its efforts are gender transformative, child protective and inclusive across themes. With the relentless support of the employees and partners, HCL Foundation is active in Delhi NCR, Karnataka, Maharashtra, Tamil Nadu, Telangana, Uttar Pradesh and West Bengal, in India. Employees also engage globally on CSR in US, UK and Europe. For details, please refer http://www.hclfoundation.org.

Awards and Recognitions:

In the financial year ended March 31, 2017, HCL Foundation has been honored with the "Best Corporate Foundation Award" by World CSR Day for outstanding contribution to Social Causes and CSR Efforts. Also, Ms. Nidhi Pundhir, Director - CSR and Head - HCL Foundation, has been conferred the "100 Most Impactful CSR Leaders" (Global Listing) Award by World CSR Day.

Thematic Focus & Highlights for the year 2016-17

a) **EDUCATION - Learning that Empowers:**

Early, primary, secondary, adult, digital & civic education. Education that leads to human resource development, at all stages of life, including imparting soft-skills that are needed for better quality of life. An Education that is gender transformative, inclusive for all and respects safe spaces for children. HCL Foundation invests in innovative, technology-led education for children, youth and women in urban and rural India. In 2016-17, HCL Foundation has reached 1,33,665 adults, youth and children through its Education initiatives – Gurukul and My Scholar

b) **HEALTH - Health & Wellbeing:**

Equitable, universal access to health for all, including prevention of communicable and non-communicable diseases, malnutrition, maternal, child and reproductive health as well as healthy habit formation. Access to portable water, sanitation and hygiene. Both in urban and rural areas, HCL Foundation invests in health & well-being at all stages of life, that leads to enhanced opportunities to lead a high quality life for all. In 2016-17, 1,05,294 adults, youth and children have participated in HCL Foundation's health initiatives, and benefitted.

c) **LIVELIHOOD - Earning with Dignity:**

Employability and skill development, job placement, small scale entrepreneur assistance leading to sustainable livelihood opportunities that create strong and self-reliant people and communities. Targeted at youth and women in urban and rural areas, HCL Foundation's comprehensive programmes train them in a variety of vocational and entrepreneurial subjects, that lead to dignified work opportunities. In 2016-17, 9,973 youth and adults benefitted from HCL Foundation's Livelihood initiatives.

d) **ENVIRONMENT - The Way of Life:**

Access to clean air, water, energy; soil, flora and fauna, terrestrial ecosystem conservation; environmentally responsible practices at all levels; Combating desertification, deforestation, land degradation, biodiversity loss, pollution and promoting use of renewable resources. Preserving the planet is a critical priority for HCL Foundation. In FY 2016-17, HCL employees and students in HCL Gurukuls made communities greener and cleaner. They planted saplings and collected hundreds of kilograms of plastic waste during various waste collection drives.

e) **HUMANITARIAN ACTION - Standing with Communities in Need:**

Natural and man-made disasters are a regular, albeit unpredictable part of life. As the world faces intensifying climate change, weather-related disasters are expected to grow. Responding to these requires the effort and coordination of many stakeholders—from government and communities to NGOs and business. HCL Foundation coordinates resources to provide humanitarian aid to employees and communities in need and supports 'building back' as and when there is a need. In FY 2016-17, over 7,000 households were supported with cyclone relief dry ration kits after the Cyclone in Tamil Nadu; In Bihar HCL Foundation is helping to improve the hygiene practices and nutrition levels of families affected by the flood. In Assam, we are supporting to set up education/child friendly spaces centres and rebuilding of education spaces for children.

FLAGSHIP PROGRAMS & HIGHLIGHTS 2016-17

With the core belief of achieving inclusive socio-economic development, HCL Foundation is currently working on four flagship programs:

HCL Samuday	HCL Grant	Power of One	Urban Community Development

1. **HCL Samuday**

Implementing a Replicable Community Development Model

HCL Samuday is a direct action by HCL Foundation to develop a source code for sustainable rural development with an INR 100 crores (~USD 16 million) annual commitment in villages of Uttar Pradesh, India. It is designed to be a replicable model - a source code for integrated and sustainable rural development - that builds model villages in partnership with central and state governments, local communities, NGOs, knowledge institutions and allied partners. Currently this is under implementation in the central zone of Uttar Pradesh (Madhyanchal) in Hardoi District, covering three blocks - Kachhauna, Behandar and Kothawan.

2. HCL Grant

Recognizing and strengthening the Fifth Estate: NGOs transforming rural India

The growth and development of our nation has been built on the four estates – the legislature, the judiciary, the executive and the media. HCL Grant is a recognition of the rise of the Fifth Estate - Non-Governmental Organizations (NGOs). The Fifth Estate has now become a critical agent of change that plays a decisive role in building a stronger, future-ready India.

Started in 2015, as a CSR commitment by HCL Foundation, the grant aims to strengthen and build the capacity of the NGOs doing path-breaking work in the areas of health, education and environment. The grant is designed to support NGOs that reach out to marginalized, isolated and underdeveloped rural communities, and work jointly to achieve sustainable socio-economic development.

HCL Grant has two key objectives:

- Financially support innovative and replicable projects put forward by NGOs committed towards transformative rural development every year. One NGO in each of the three thematic categories of education, health and environment is awarded a grant of upto INR 5 crores each.
- Identify the best NGOs who have made significant impact in rural transformation, and publish a compendium of these NGOs to provide them international visibility.

Highlights

In the financial year ended March 31, 2017, HCL Grant expanded beyond education to include health and environment themes. More than 3,000 NGOs registered for the grant, of which more than 600 submitted high quality and complete applications. Field locations of 48 shortlisted NGOs were visited by senior level experts. Based on these field assessments, 32 NGOs were presented to highly qualified thematic sub-juries who further shortlisted nine NGOs for final jury evaluation. Three best NGOs were selected by an independent jury on February 21, 2017 as the recipients of the HCL Grant 2017.

The winning NGOs of HCL Grant 2017 across three categories are:

- Foundation for Ecological Security (Category: Environment) works towards conservation of nature and natural resources through collective action of local communities.
- Child in Need Institute (CINI) (Category: Health) aims to enable economically disadvantaged women and children to take control of their lives and have a share in sustainable development.
- MelJol (Category: Education) focuses on empowering children from varied backgrounds and their ecosystems to build a spirit of confidence and entrepreneurship.

HCL Grant Recipient 2016 - Going to School: In the first edition of the HCL Grant (2016), HCL Foundation granted INR 5 crores to the NGO "Going to School" (in the education category) for their innovative educational programs. Through their design-driven approach and learning materials, "Going to School" currently works with more than 1,300 schools and is positively affecting 150,000 children every week with life changing skills.

3. Power of One

Engaging HCL Employees in Community Development and Nation Building

Power of One is HCL's powerful employee volunteering and payroll giving program as well as the cornerstone of HCL Foundation's work in urban neighborhoods. Power of One is based on the belief that all we need is just one rupee per day or one British Pound or one US Dollar per week and one hour, one day, one month or one year of community service by HCL employees to make a significant difference in society.

Approach: Power of One consists of two key components:

1) Daily Payroll Giving - Employees are encouraged to contribute one rupee every day in India, one US Dollar per week in US, one British Pound per week in UK, and so on. These funds are directed to key initiatives described in more detail below. These funds are over and above the CSR spends of HCL Foundation and mapped separately. For the financial year ended March 31, 2017, close to 32,950 employees have been contributing towards Power of One.

2) Community Championship - Depending on their time, interests and expertise, HCL Foundation mentors and encourages employees to volunteer on community service projects.

Power of One ensures active and regular financial support and participation by HCL employees in humanitarian and developmental projects. It enables them to act on issues they care about and become valuable agents of change in making the communities where they live and work a better place.

4. Urban Community Development

Urban Community Development is HCL Foundation's integrated community development program for underprivileged communities, including migrant workers and displaced people living in urban slums. Under this program, HCL Foundation also addresses vital issues through city wide campaigns. All interventions carried out by HCL Foundation, in urban neighborhoods, where HCL is present, are categorized under its flagship project called "My Community". As of now, the project `My Community' is operational in NCR (Noida, Gurugram and Delhi); Chennai, Madurai, Lucknow, Kolkata and Pune. Soon the project will also be rolled out in Vijayawada and Nagpur. With its philosophy of ensuring lasting positive change, HCL believes in investing in cities, where it operates. Hence, HCL Foundation is mandated to address issues that are in the remit of HCL Foundation's thematic focus areas, in these cities. In the face of rapid urbanization and fast changing socio-economic landscape of Indian cities.

GLOBAL COMMUNITY INITIATIVES

As a global company, HCL's commitment to corporate social responsibility goes beyond its Indian roots. From key offices around the world, HCL Foundation reaches out to local communities to make life better for people in need. A key focus is to support the development of sustainable livelihoods, including programs in education, employability and skills development, and women's empowerment.

a) Promoting Employability in the United States

HCL Foundation has partnered with NPower Technologies (NGO) to further its mission to promote employability by developing the skills of youth and war veterans via trainings, internships, job placements and the like. The foundation also looks to build technological skills amongst individuals and use these to benefit non-profits as well as schools. To achieve the above, HCL Foundation has developed two unique programs:

- Technology Service Corps (TSC), a free, sector-based technology workforce development program that responds to the needs of the under-served, low-income, young adults and unemployed veterans.
- The Community Corps, a unique, online program that provides non-profit organizations and schools access to the tech community who in turn help the former achieve their goals.

b) Helping Youth Succeed in the United States

HCL is now partnering with the United Way of Greater Triangle (Raleigh-Durham, North Carolina) for the Youth Success Program which aims to help young people succeed in school and life. The partnership is focusing on academic and educational support, financial literacy, family and peer support services, mentoring young adults, expanded learning opportunities through summer training, in school and after-school coaching, mental health services, employment readiness training. HCL employees have an opportunity to play a key role in this program through their volunteer support.

c) **United Kingdom - Promoting Employability**

An obsession with exploring how technology can make a positive difference in people's lives inspired a partnership with The Prince's Trust to create a program called "Get Started with Technology". This one-of-a-kind learning program is aimed at providing mobile application development and digital learning skills to underprivileged young adults so that they are employable. Volunteers in this program help support, guide and inspire the participant's journey by mentoring, tutoring, getting involved in topical discussions, taking them on education tours and positively involving parents in this process. Currently, this initiative has enabled the training and development of 110 disadvantaged local youths.

2. **Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?**

All the programmes / projects are undertaken through HCL foundation in collaboration with HCL employees, customers and external NGOs. For details, please refer to website http://www.hclfoundation.org.

3. **Have you done any impact assessment of your initiative?**

Yes. HCL Foundation has put in place various indicators for community development under different focus areas and has developed various tools and monitoring mechanisms to ensure the achievement of these indicators. There is heavy focus on stakeholders' involvement and consultation at every level. Funds Utilization Certificates and Audit Reports are the primary instruments used to monitor that the projects undertaken are within the defined categories of expenditure. The quarterly reports and half-yearly reports furnished by our implementing partners are studied carefully and verified through field visits by our field and programme officers. Case studies are collected for all the projects and informal feedback sessions are held with our beneficiaries to understand the satisfaction levels. Members of the senior management of the Company conduct surprise visits to our community projects to understand the overall experience of change. All these interventions help HCL Foundation to understand gaps in the implementation of our projects and to timely bridge the gaps. The periodic field audits are supplemented by the regular interaction between HCL volunteers and the community members.

4. **What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**

Please refer to Annexure 4 of the Directors Report which forms part of this Annual Report.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

HCL Foundation focuses on sustainability of the projects and communities in the long run. This includes strategies to improve community ownership, empowerment of local community i.e. creating local leaders through capacity building, linkage with the available systems, starting a chain reaction, convergence, knowledge sharing, etc. Some of the interventions adopted are action plans to include awareness, exposures, social audits by the community, creating leaders, impact creative groups, HCL linkages, Government linkages, build a road map with clear impact, sharing results with the Govt, target-based actions, creating manuals for various sectors, holistic action plan, HCL volunteer engagement, etc.

Principle 9: Businesses should support inclusive growth and equitable development

1. **What percentage of customer complaints / consumer cases are pending as on the end of financial year?**

We did not record any significant complaints regarding breach of customer privacy, loss of customer data and non-compliance with laws and regulations concerning the usage of our products and services.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information).**

Not Applicable

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices,**

irresponsible advertising and / or anti-competitive behavior during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.

We were not subjected to any significant legal actions for anti-competitive behavior, anti-trust, monopoly practices or non-compliance with laws and regulations in the financial year ended March 31, 2017. The internal risk and audit team provides key management leaders with risk insights and the various departments proactively implement actions to comply with COBEC or local regulations. We did not have any significant corruption or bribery cases registered during the financial year ended March 31, 2017.

4. **Did your Company carry out any consumer survey / consumer satisfaction trends?**

Yes. HCL places huge focus on the way we run the business, handle customer interactions and deliver services. To be successful at what we do, we believe that it is extremely important to have a deep understanding of our customers' business drivers and the markets they operate in. Our Customer Advisory Council convenes bi-annually to provide feedback and recommendations on our key strategic issues and solutions identified by us. This Council has been honored with the Forrester Groundswell Award in the 'Business-to-Business Embracing' category.

The annual survey on customer satisfaction is carried out by a third party agency every year. This survey spans across all business lines of HCL. In this year, we were able to sustain high levels of satisfaction of customers compared to industry levels. This is also evidenced in the facts that HCL has been continuously achieving high level of response rate for the past six years and 80% of our top accounts have been classified under customer delight category.

Standalone
Financial Statements

INDEPENDENT AUDITOR'S REPORT

To the Members of HCL Technologies Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of HCL Technologies Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. 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 standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS 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 the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS 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, of the state of affairs of the Company as at March 31, 2017, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:

   (a) We have sought and 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 it appears from our examination of those books;

   (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of written representations received from the directors as on March 31, 2017 and taken on record by the Board of directors, we report, that except for one director (since deceased) for whom the written representation is not available with the Company, none of the remaining directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure 2” to this report;

(g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

iv. The Company has provided requisite disclosures in Note 3.37 to these standalone Ind AS financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management.

For S.R. Batliboi & CO. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E / E300005

per Tridibes Basu
Partner
Membership Number: 17401

Place: Gurgaon
Date: May 11, 2017

Annexure 1 referred to in paragraph 1 of the section on "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 property, plant and equipment.

(b) All property, plant and equipment were physically verified by the management in accordance with a planned programme of verifying them in phased manner over a 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 conducted during the financial year.

(c) According to the information and explanations given by the management, the title deeds of immovable properties, included in property, plant and equipment are held in the name of the company, except for the immovable properties acquired during demerger of Geometric Limited in the current year. As explained to us, registration of title deeds is in progress in respect of an immovable property acquired during the year aggregating ₹ 442,232,704.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the financial year and no material discrepancies were noticed on such physical verification.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) 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, provisions of section 186 of the Companies Act 2013 in respect of loans given have been complied with by the company. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 of the Companies Act 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the products / services of the Company.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, 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, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other 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 of income-tax, sales-tax, service tax, duty of custom, duty of excise , value added tax 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	20,953,010	2012-13	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	181,930,009	2011-12	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	24,633,600	2010-11	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	651,895,734	2009-10	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	600,132,571	2008-09	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	6,590,943	2008-09	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	2,158,713,936	2006-07	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	1,929,049,267	2005-06	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	67,125,480	2004-05	Delhi High Court
Income Tax Act, 1961	Income Tax	165,049,926	2004-05	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	11,076,982	2004-05	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	16,380,906	2004-05	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	149,282,681	2004-05	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	69,666,262	2004-05	Supreme 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	5,485,365	2004-05	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	486,564,233	2003-04	Supreme Court
Income Tax Act, 1961	Income Tax	83,641,252	2003-04	Delhi High Court
Income Tax Act, 1961	Income Tax	19,845,000	2003-04	Delhi High Court
Income Tax Act, 1961	Income Tax	42,207,150	2003-04	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	23,431,665	2003-04	Supreme Court
Income Tax Act, 1961	Income Tax	72,785,447	2003-04	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	237,007,827	2002-03	Delhi High Court
Income Tax Act, 1961	Income Tax	29,453,054	2002-03	Supreme Court
Income Tax Act, 1961	Income Tax	122,808,192	2002-03	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	1,890,000	2002-03	Delhi High Court
Income Tax Act, 1961	Income Tax	77,694,954	2001-02	Supreme Court
Income Tax Act, 1961	Income Tax	84,291,415	2001-02	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	3,220,000	2000-01	Delhi High Court
Income Tax Act, 1961	Income Tax	4,373,578	2000-01	Supreme Court
Income Tax Act, 1961#	Income Tax	53,670	2011-12	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961#	Income Tax	14,044,848	2010-11	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961#	Income Tax	183,891,731	2009-10	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961#	Income Tax	3,027,465	2008-09	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961#	Income Tax	4,559,970	2007-08	Income Tax Appellate Tribunal
Income Tax Act, 1961#	Income Tax	125,533,617	2005-06	Income Tax Appellate Tribunal
Income Tax Act, 1961#	Income Tax	722,591	2004-05	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961#	Income Tax	150,640	2003-04	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961*	Income Tax	77,071,478	2012-13	Dispute Resolution Panel
Income Tax Act, 1961*	Income Tax	86,696,401	2011-12	Income Tax Appellate Tribunal
Income Tax Act, 1961*	Income Tax	61,761,471	2010-11	Income Tax Appellate Tribunal
Income Tax Act, 1961*	Income Tax	113,797,530	2009-10	Income Tax Appellate Tribunal
Income Tax Act, 1961*	Income Tax	146,892,993	2008-09	Income Tax Appellate Tribunal
Income Tax Act, 1961*	Income Tax	17,300,596	2007-08	Income Tax Appellate Tribunal
Income Tax Act, 1961*	Income Tax	28,485,115	2006-07	Income Tax Appellate Tribunal
Customs Act, 1962	Custom Duty	2,717,465	2006-07	Common Adjudicating Authority (Directorate of Revenue Intelligence)
Customs Act, 1962	Custom Duty	10,855,181	2005-06	Customs & Excise Applate Tribunal, Bangalore
Customs Act, 1962*	Custom Duty	3,451,999	2009-14	Office of Asstt. Commissioner of Customs
Customs Act, 1962*	Custom Duty	940,568	2009-14	Office of Asstt. Commissioner of Customs
Customs Act, 1962*	Custom Duty	3,648,840	2007-08	Office of Asstt. Commissioner of Customs
Customs Act, 1962*	Custom Duty	18,000	1999-00	Office of Asstt. Commissioner of Customs
Customs Act, 1962*	Custom Duty	2,808,670	1998-99	Office of Asstt. Commissioner of Customs
Customs Act, 1962*	Custom Duty	14,690,000	1997-98	Office of Asstt. Commissioner of Customs
Central Excise Act 1944	Excise Duty	20,045,546	2011-12	Commissioner Appeals, Central Excise, Chennai
Central Excise Act 1944*	Excise Duty	161,016	1997-98	Office of Asstt. Commissioner of Customs
Central Excise Act 1944*	Excise Duty	1,074,000	1999-00	Office of Asstt. Commissioner of Customs
Finance Act 1994, read with Service Tax Rules, 1994	Service Tax	23,801,429	2013-15	CESTAT, Allahabad
Finance Act 1994, read with Service Tax Rules, 1994	Service Tax	73,212,938	2010-13	CESTAT, Allahabad
Finance Act 1994, read with Service Tax Rules, 1994	Service Tax	659,367	2009-10	Customs ,Excise, Service Tax Appellant Tribunal, Allahabad
Finance Act 1994, read with Service Tax Rules, 1994	Service Tax	1,821,541	2006-11	Customs ,Excise, Service Tax Appellant Tribunal, Allahabad
Finance Act 1994, read with Service Tax Rules, 1994	Service Tax	34,327,784	2006-07	Commissioner (Appeals)
Finance Act 1994, read with Service Tax Rules, 1994	Service Tax	13,024,724	2006-07	Customs ,Excise, Service Tax Appellant Tribunal, Allahabad
Finance Act 1994, read with Service Tax Rules, 1994*	Service Tax	4,391,000	1997-99	Office of Asstt. Commissioner of Customs
Central Board Trustees*	Provident fund	43,047,769	1996-14	Bombay High Court

Above amount represents total demand inclusive of interest .Total amount deposited / adjusted in respect of Income tax is ₹ 1,215,393,582, Custom Duty ₹ 8,023,817 and Service tax is ₹ 46,010,138.

Pursuant to scheme for demerger of IT enabled business of HCL Comnet Systems & Services Limited in FY 2012 – 13.

* Pursuant to acquisition of demerged business of Geometric Limited in FY 2016-17

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a bank. The Company did not have any outstanding loans or borrowing dues in respect of financial institution or government or dues to debenture holders.

(ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments hence, reporting under clause is not applicable to the Company and hence not commented upon. In our opinion and according to information and explanations given by the management, term loans were applied for the purpose for which they were raised.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud / material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm registration number: 301003E / E300005

per Tridibes Basu
Partner
Membership Number: 17401

Place: Gurgaon
Date: May 11, 2017

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF HCL TECHNOLOGIES LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of HCL Technologies Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Batliboi & CO. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E / E300005

per Tridibes Basu
Partner
Membership Number: 17401

Place: Gurgaon
Date: May 11, 2017

Balance Sheet as at 31 March 2017

(All amounts in crores of ₹)

		Note No.	As at 31 March 2017	As at 31 March 2016	As at 1 July 2015
I.	**ASSETS**				
	(1) Non-current assets				
	(a) Property, plant and equipment	3.1	3,126.45	2,762.90	2,766.93
	(b) Capital work in progress		410.53	582.12	543.95
	(c) Goodwill	3.2	553.17	18.16	-
	(d) Other intangible assets	3.3	4,310.19	35.18	39.25
	(e) Financial assets				
	(i) Investments	3.4	3,810.10	3,502.58	3,500.23
	(ii) Loans	3.5	0.07	15.00	15.01
	(iii) Others	3.6	186.85	120.02	175.75
	(f) Deferred tax assets (net)	3.25	1,211.07	1,179.72	986.53
	(g) Other non-current assets	3.7	646.59	732.18	695.62
	(2) Current assets				
	(a) Inventories	3.8	89.93	128.56	83.65
	(b) Financial assets				
	(i) Investments	3.4	914.14	471.72	627.70
	(ii) Trade receivables	3.9	4,418.39	4,084.53	3,578.28
	(iii) Cash and cash equivalents	3.10(a)	352.00	125.17	432.73
	(iv) Other bank balances	3.10(b)	7,610.35	8,537.79	8,396.68
	(v) Loans	3.5	2,542.76	2,014.37	1,193.19
	(vi) Others	3.6	1,518.06	1,610.16	1,298.37
	(c) Other current assets	3.11	671.26	667.88	573.08
	TOTAL ASSETS		**32,371.91**	**26,588.04**	**24,906.95**
II.	**EQUITY**				
	(a) Equity share capital	3.12	285.36	282.08	281.20
	(b) Other equity		25,687.93	21,214.49	19,116.44
III.	**LIABILITIES**				
	(1) Non - current liabilities				
	(a) Financial liabilities				
	(i) Borrowings	3.13	31.24	28.16	27.22
	(ii) Others	3.14	7.16	75.47	38.58
	(b) Provisions	3.15	411.27	344.08	304.45
	(c) Other non-current liabilities	3.16	34.37	130.77	245.20
	(2) Current liabilities				
	(a) Financial liabilities				
	(i) Borrowings	3.13	-	0.03	-
	(ii) Trade payables	3.17	484.59	453.92	468.58
	(iii) Others	3.14	4,003.65	2,521.26	2,955.28
	(b) Other current liabilities	3.18	885.46	765.61	690.63
	(c) Provisions	3.15	110.89	96.34	100.01
	(d) Current tax liabilities (net)		429.99	675.83	679.36
	TOTAL EQUITY AND LIABILITIES		**32,371.91**	**26,588.04**	**24,906.95**
Summary of significant accounting policies		1			

The accompanying notes are an integral part of the financial statements

As per our report of even date

FOR S. R. BATLIBOI & CO. LLP
ICAI Firm Registration Number : 301003E / E300005
Chartered Accountants

per Tridibes Basu
Partner
Membership Number: 17401

Gurgaon, India
11 May, 2017

For and on behalf of the Board of Directors
of HCL Technologies Limited

Shiv Nadar
Chairman and Chief Strategy Officer

Keki Mistry
Director

C. Vijayakumar
President and Chief Executive Officer

Anil Chanana
Chief Financial Officer

Prahlad Rai Bansal
Deputy Chief Financial Officer

Manish Anand
Company Secretary

Noida (UP), India
11 May, 2017

Statement of Profit and Loss for the year ended 31 March 2017

(All amounts in crores of ₹)

		Note No.	Year ended 31 March 2017 (Twelve months)	Year ended 31 March 2016 (Nine months) refer note 1(a)
I	**Revenue**			
	Revenue from operations	3.19	19,318.31	13,434.64
	Other income	3.20	955.33	968.42
	Total income		**20,273.64**	**14,403.06**
II	**Expenses**			
	Purchase of stock-in-trade		123.31	162.66
	Changes in inventories of stock-in-trade	3.21	38.63	(46.79)
	Employee benefits expense	3.22	6,843.38	4,866.92
	Finance costs	3.23	56.03	45.82
	Depreciation and amortization expense	3.1 & 3.3	478.89	276.89
	Outsourcing costs		2,218.67	1,644.43
	Other expenses	3.24	2,238.66	1,671.58
	Total expenses		**11,997.57**	**8,621.51**
III	**Profit before tax**		**8,276.07**	**5,781.55**
IV	**Tax expense**	3.25		
	Current tax		1,537.33	1,269.60
	Deferred tax charge (credit)		(133.95)	(207.13)
	Total tax expense		1,403.38	1,062.47
V	**Profit for the year**		**6,872.69**	**4,719.08**
VI	**Other comprehensive income**	3.26		
(A)	(i) Items that will not be reclassified to statement of profit and loss		(6.83)	11.30
	(ii) Income tax on items that will not be reclassified to statement of profit and loss		1.39	(2.33)
(B)	(i) Items that will be reclassified subsequently to statement of profit and loss		520.59	72.88
	(ii) Income tax on items that will be reclassified to statement of profit and loss		(109.56)	(11.60)
VII	**Total other comprehensive income**		**405.59**	**70.25**
VIII	**Total comprehensive income for the year**		**7,278.28**	**4,789.33**
	Earnings per equity share of ₹ 2 each			
	Basic (in ₹)		48.18	33.52
	Diluted (in ₹)		48.13	33.43

Summary of significant accounting policies **1**

The accompanying notes are an integral part of the financial statements

As per our report of even date

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Company Secretary

Noida (UP), India
11 May, 2017

Statement of Changes in Equity for the year ended 31 March 2017

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

	Equity share capital		Other Equity								
			Share application money pending allotment	Reserves and Surplus					Foreign currency translation reserve	Cash flow hedging reserve	TOTAL
	Shares	Share capital		Retained earnings	General reserve	Securities premium	Capital reserve	Share based payment reserve			
Balance as at 1 July, 2015	**1,405,978,418**	**281.20**	**0.02**	**14,439.07**	**2,639.20**	**1,881.21**	**119.54**	**113.17**	**(35.09)**	**(40.68)**	**19,116.44**
Profit for the year	-	-	-	4,719.08	-	-	-	-	-	-	4,719.08
Other comprehensive income (refer note 3.26)	-	-	-	8.97	-	-	-	-	12.51	48.77	70.25
Total comprehensive income for the year	**-**	**-**	**-**	**4,728.05**	**-**	**-**	**-**	**-**	**12.51**	**48.77**	**4,789.33**
Dividend of ₹ 16 per share (including tax on dividend of ₹ 445.85 crores)	-	-	-	(2,697.59)	-	-	-	-	-	-	(2,697.59)
Shares issued for exercised options	4,402,896	0.88	(0.02)	-	-	81.80	-	(81.79)	-	-	(0.01)
Share options exercised pending allotment of shares	-	-	0.05	-	-	-	-	-	-	-	0.05
Share based payments to employees	-	-	-	-	-	-	-	6.27	-	-	6.27
Balance as at 31 March, 2016	**1,410,381,314**	**282.08**	**0.05**	**16,469.53**	**2,639.20**	**1,963.01**	**119.54**	**37.65**	**(22.58)**	**8.09**	**21,214.49**
Balance as at 1 April, 2016	**1,410,381,314**	**282.08**	**0.05**	**16,469.53**	**2,639.20**	**1,963.01**	**119.54**	**37.65**	**(22.58)**	**8.09**	**21,214.49**
Profit for the year	-	-	-	6,872.69	-	-	-	-	-	-	6,872.69
Other comprehensive income (refer note 3.26)	-	-	-	(5.44)	-	-	-	-	(26.05)	437.08	405.59
Total comprehensive income for the year	**-**	**-**	**-**	**6,867.25**	**-**	**-**	**-**	**-**	**(26.05)**	**437.08**	**7,278.28**
Dividend of ₹ 24 per share (including tax on dividend of ₹ 682.62 crores)	-	-	-	(4,068.73)	-	-	-	-	-	-	(4,068.73)
Shares issued for consideration other than cash on acquisition of business of Geometric Limited (refer note 2)	15,563,430	3.11	-	-	-	1,263.91	-	-	-	-	1,263.91
Shares issued for exercised options	838,680	0.17	(0.05)	-	-	17.41	-	(17.41)	-	-	(0.05)
Share options exercised pending allotment of shares	-	-	0.03	-	-	-	-	-	-	-	0.03
Share based payments to employees	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March, 2017	**1,426,783,424**	**285.36**	**0.03**	**19,268.05**	**2,639.20**	**3,244.33**	**119.54**	**20.24**	**(48.63)**	**445.17**	**25,687.93**

Summary of significant accounting policies **1**

The accompanying notes are an integral part of the financial statements

As per our report of even date

FOR S. R. BATLIBOI & CO. LLP
ICAI Firm Registration Number : 301003E / E300005
Chartered Accountants

per Tridibes Basu
Partner
Membership Number: 17401

Gurgaon, India
11 May, 2017

For and on behalf of the Board of Directors of HCL Technologies Limited

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Chief Financial Officer

Prahlad Rai Bansal
Deputy Chief Financial Officer

Manish Anand
Company Secretary

Noida (UP), India
11 May, 2017

Statement of Cash flows

(All amounts in crores of ₹)

	Year ended 31 March 2017 (Twelve months)	Year ended 31 March 2016 (Nine months) refer note 1(a)
A. Cash flows from operating activities		
Profit before tax	8,276.07	5,781.55
Adjustment for:		
Depreciation and amortization	478.89	276.89
Interest income	(787.59)	(646.58)
Dividend income from subsidiaries	(25.92)	(61.64)
Provision for doubtful debts / bad debts written off	10.94	-
Income on investments carried at fair value through profit and loss	(45.92)	(17.55)
Interest expenses	27.91	3.75
Loss (profit) on sale of property, plant and equipment (net)	(1.68)	(140.47)
Employee stock compensation expense	-	6.27
Depreciation and amortization reduced against revenue	116.03	-
Other non cash (benefits) charges (net)	19.77	47.15
Operating profit before working capital changes	**8,068.50**	**5,249.37**
Movement in Working Capital		
(Increase) decrease in trade receivables	(126.60)	(535.18)
(Increase) decrease in inventories	38.34	(24.21)
(Increase) decrease in other financial assets and other assets	676.98	(342.26)
Increase (decrease) in trade payables	(66.63)	(19.85)
Increase (decrease) in provisions, other financial liabilities and other liabilities	(9.29)	(110.10)
Cash generated from operations	**8,581.30**	**4,217.77**
Direct taxes paid (net of refunds)	(1,586.20)	(1,063.47)
Net cash flow from operating activities (A)	**6,995.10**	**3,154.30**
B. Cash flows from investing activities		
Investments in bank deposits	(7,636.86)	(4,549.96)
Proceeds from bank deposits on maturity	8,562.79	4,408.85
Purchase of investments in securities	(10,182.93)	(6,423.25)
Proceeds from sale of investments in securities	9,889.42	6,596.78
Deposits placed with body corporate	(2,499.51)	(1,985.40)
Proceeds from maturity of deposits placed with body corporate	1,985.40	1,193.00
Payments for business acquisitions, net of cash acquired	3.08	(28.57)
Purchase of Licensed IPRs	(2,602.36)	-
Purchase of property, plant and equipment and intangibles, including capital work in progress and capital advances	(649.26)	(645.40)
Proceeds from sale of property, plant and equipment	(48.52)	181.79
Investment in equity instruments of subsidiary	(86.24)	-
Loans extended to group company	(10.00)	-
Proceeds from loans extended to group company	32.05	-
Dividend received from subsidiaries	25.92	61.64
Interest and dividend received	836.61	638.06
Taxes paid	(262.61)	(218.06)
Net cash flow used in investing activities (B)	**(2,643.02)**	**(770.52)**

	Year ended 31 March 2017 (Twelve months)	Year ended 31 March 2016 (Nine months) refer note 1(a)
C. Cash flows from financing activities		
Proceeds from issue of share capital	0.15	0.91
Proceeds from long term borrowings	22.09	15.31
Repayment of long term borrowings	(18.85)	(14.30)
Proceeds from short term borrowings	(19.87)	0.03
Dividend paid	(3,385.16)	(2,251.33)
Corporate dividend tax	(682.62)	(445.85)
Interest paid	(27.91)	(3.75)
Net cash flow used in financing activities (C)	**(4,112.17)**	**(2,698.98)**
Net increase (decrease) in cash and cash equivalents (A+B+C)	239.91	(315.20)
Effect of exchange differences on cash and cash equivalents held in foreign currency	(13.08)	7.64
Cash and cash equivalents at the beginning of the year	125.17	432.73
Cash and cash equivalents at the end of the year as per note 3.10 (a) (refer note below)	**352.00**	**125.17**

Summary of significant accounting policies (Note 1)

Notes:

1. The total amount of income taxes paid is ₹ 1,848.81 crores (31 March 2016,₹ 1,281.53 crores)
2. Cash and cash equivalents include the following:

Investor education and protection fund-unclaimed dividend *	4.34	3.40

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

As per our report of even date

FOR S. R. BATLIBOI & CO. LLP
ICAI Firm Registration Number : 301003E / E300005
Chartered Accountants

per Tridibes Basu
Partner
Membership Number: 17401

Gurgaon, India
11 May, 2017

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Deputy Chief Financial Officer

Manish Anand
Company Secretary

Noida (UP), India
11 May, 2017

Notes to financial statements for the year ended 31 March 2017
(All amounts in crores of ₹, except share data and as stated otherwise)

ORGANIZATION AND NATURE OF OPERATIONS

HCL Technologies Limited (hereinafter referred to as “the Company”) is primarily engaged in providing a range of software services, business process outsourcing services and IT infrastructure services. The Company was incorporated under the provisions of the Companies Act applicable in India in November 1991, having its registered office at 806, Siddharth, 96, Nehru Place, New Delhi-110019. The Company leverages its extensive offshore infrastructure and global network of offices and professionals located in various countries to deliver solutions across select verticals including financial services, manufacturing (automotive, aerospace, hi-tech and semi-conductors) telecom, retail and consumer packaged goods services, media, publishing and entertainment, public services, energy and utility, healthcare and travel, transport and logistics.

The financial statements for the year ended 31 March, 2017 were approved and authorized for issue by the Board of Directors on 11 May, 2017.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

The Company uses the Indian Rupee (‘₹’) as its reporting currency.

For years up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with Indian GAAP (“Previous GAAP”), including accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014.

These financial statements, being the Company’s first Ind AS financial statements, are covered by Ind AS 101, “First-time Adoption of Indian Accounting Standards”. An explanation of the effect of the transition from Previous GAAP to Ind AS on the Company’s equity and profit is provided in Note 4.

These financial statements have been prepared under the historical cost convention on an accrual and going concern basis except for the following assets and liabilities which have been measured at fair value:

a) Derivative financial instruments,

b) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),

The preparation of these financial statements has resulted in changes to the Company’s accounting policies as compared to the most recent annual financial statements prepared under Previous GAAP. Accounting policies have been applied consistently to all years presented in the financial statements including the preparation of the (Ind AS) opening balance sheet as at 1 July, 2015 (‘Transition date’) for the purpose of transition to (Ind AS) and as required by Ind AS 101.

Section 2(41) of the Companies Act, 2013 requires all companies to have their financial year ending on 31 March. The Company adopted this change from the previous financial year and accordingly, the previous financial year of the Company is for a nine months period from 1 July 2015 to 31 March 2016 (hereinafter referred as “Year ended 31 March, 2016”).

Since the transition date for Ind AS is 1 July 2015 and previous financial year is for nine months, the same is not comparable.

(b) *Use of estimates*

The preparation of financial statements in conformity with Ind AS requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses and other comprehensive income (OCI) that are reported and disclosed in the financial statements and accompanying notes. These estimates are based on the management’s best knowledge of current events, historical experience, actions that the Company may undertake in the future and on various other assumptions that are believed to be reasonable under the circumstances. Significant estimates and assumptions are used for, but not limited to, accounting for costs expected to be incurred to complete performance under fixed price projects, allowance for uncollectible accounts receivables, accrual of warranty costs, income taxes, valuation of share-based compensation, future obligations under employee benefit plans, the useful lives of property, plant and equipment, intangible assets, impairment of goodwill, and other contingencies and commitments. Changes in estimates are reflected in the financial statements in the year in which the changes are made. Actual results could differ from those estimates.

(c) ***Business combinations and goodwill***

In accordance with the provisions of Ind AS 101 related to first time adoption, the Company has elected to apply Ind AS accounting for business combinations prospectively from the transition date. As such, Previous GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward (please refer note 4 below).

Business combinations are accounted for using the acquisition method. The cost of an acquisition is the aggregate of the consideration transferred measured at fair value at the acquisition date. Acquisition related costs are expensed as incurred.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as financial liability is measured at fair value with changes in fair value recognized in the statement of profit and loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the excess is recognized as capital reserve after reassessing the fair values of the net assets.

(d) ***Foreign currency and translation***

The financial statements of the Company are presented in Indian Rupee (₹) which is also the Company's functional currency. For each foreign operation, the Company determines the functional currency which is its respective local currency.

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date of the transaction. Foreign-currency denominated monetary assets and liabilities are translated to the relevant functional currency at exchange rates in effect at the balance sheet date. Exchange differences arising on settlement or translation of monetary items are recognized in the statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the initial transaction. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the year in which the transaction is settled. Revenue, expenses and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

The translation of foreign operations from respective functional currency into INR (the reporting currency) for assets and liabilities is performed using the exchange rates in effect at the balance sheet date, and for revenue, expenses and cash flows is performed using an appropriate daily weighted average exchange rate for the respective years. The exchange differences arising on translation are reported as a component of 'other comprehensive income (loss)'. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognized in the statement of profit and loss.

(e) ***Fair value measurement***

The Company records certain financial assets and liabilities at fair value on a recurring basis. The Company determines fair value based on the price it would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability.

The Company holds certain fixed income securities, equity securities and derivatives, which must be measured using the guidance for fair value hierarchy and related valuation methodologies. The guidance specifies a hierarchy of valuation techniques based on whether the inputs to each measurement are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's assumptions about current market conditions. The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The prescribed fair value hierarchy and related valuation methodologies are as follows:

Level 1 - Quoted inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 - Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-derived valuations, in which all significant inputs are directly or indirectly observable in active markets.

Level 3 - Valuations derived from valuation techniques, in which one or more significant inputs are unobservable inputs which are supported by little or no market activity.

In accordance with Ind AS 113, assets and liabilities are to be measured based on the following valuation techniques:

a) Market approach – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.

b) Income approach – Converting the future amounts based on market expectations to its present value using the discounting method.

c) Cost approach – Replacement cost method.

Certain assets are measured at fair value on a non-recurring basis. The assets consist primarily of non-financial assets such as goodwill and intangible assets. Goodwill and intangible assets recognized in business combinations are measured at fair value initially and subsequently when there is an indicator of impairment, the impairment is recognized.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant who would use the asset in its highest and best use.

(f) ***Revenue recognition***

Contracts involving provision of services

Revenue is recognized when persuasive evidence of an arrangement exists, services have been rendered, the fee is determinable and collectability is reasonably assured. Contracts can be primarily categorized as time-and-material or fixed price contracts.

Time-and-material contracts

Revenue with respect to time-and-material contracts is recognized as the related services are performed.

Fixed Price contracts

Revenue related to contracts providing maintenance and support services, is recognized over the term of the contract.

Revenue from technology integration and complex network building contracts is recognized in accordance with the Percentage-Of-Completion (POC) method. Under the POC method, progress towards completion is measured based on either achievement of specified contract milestones, cost incurred as a proportion of estimated total cost or other measures of progress when available. If circumstances arise that change the original estimates of revenues, costs, or extent of progress towards completion, revisions are made to the estimates. These revisions may result in increase or decrease in estimated revenues or costs, and such revisions are reflected in income in the year in which the circumstances that gave rise to the revision become known to the management. If at any time these estimates indicate that the contract will be unprofitable, the entire estimated loss for the remainder of the contract is recorded immediately.

Revenue related to other fixed price contracts is recognized in accordance with the Percentage of Completion method (POC). The cost incurred on the projects is used to measure progress towards completion. Costs are recorded as incurred over the contract period. Any revision in cost to complete would result in increase or decrease in revenue and income and such changes are recorded in the year in which they are identified Provisions for estimated losses, if any, on contracts-in-progress are recorded in the period in which such losses become probable based on the current cost estimates. Contract losses are determined to be the amount by which the estimated total cost to complete exceeds the estimated total revenues that will be generated by the contract and are included in Cost of services and classified in other accrued liabilities.

In arrangements involving sharing of customer revenues, revenue is recognized when the amounts are known and the right to receive is established. Incremental revenue from existing contracts arising on future sales to the customers is recognized when it is earned and collectability is reasonably assured.

Revenues from unit-priced contracts are recognized as transactions are processed, based on objective measures of output.

Revenue from product sales are shown net of sales tax and applicable discounts and allowances. Revenue related to product with installation services that are critical to the product is recognized when installation of product at customer site is completed and accepted by the customer. If the revenue for a delivered item is not recognized for non-receipt of acceptance from the customer, the cost of the delivered item is also deferred. Revenue from maintenance services is recognized ratably over the period of the contract.

Multiple-element arrangements

When a sales arrangement contains multiple elements, such as services, hardware and software products and licenses, revenue for each element is determined based on its fair value.

Revenue recognition for delivered elements is limited to the amount that is not contingent on the future delivery of products or services, future performance obligations or subject to customer-specified return or refund privileges.

Revenue from activities in transition services not having standalone value in outsourcing arrangements is deferred and recognized over the period of the arrangement. Direct and incremental costs in relation to such an arrangement are also deferred to the extent of revenue. Certain upfront nonrecurring contract acquisition costs incurred in the initial phases of outsourcing contracts are deferred and amortized usually on a straight line basis, over the term of the contract unless revenues are earned and obligations are fulfilled in a different pattern. The undiscounted cash flows from the arrangement are periodically estimated and compared with the unamortized costs. If the unamortized costs exceed the undiscounted cash flow, a loss is recognized.

In instances when revenue is derived from sales of third-party vendor services, material or licenses, revenue is recorded on a gross basis when the Company is a principal to the transaction and net of costs when the Company is acting as an agent between the customer and the vendor. Several factors are considered to determine whether the Company is a principal or an agent, most notably whether the Company is the primary obligor to the customer, has established its own pricing, and has inventory and credit risks.

Revenue is recognized net of discounts and allowances, value-added tax and service tax, and includes reimbursement of out-of-pocket expenses, with the corresponding out-of-pocket expenses included in cost of revenues.

Revenue from financing leases is recognized when risk of loss has been transferred to the client and there are no unfulfilled obligations that affect the final acceptance of the arrangement by the client. Revenue from operating leases is accounted on a straight-line basis as service revenue over the rental period. Interest attributable to financing leases included therein is recognized on an accrual basis using the effective interest method.

Interest income

Interest income for all financial instruments measured at amortized cost is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

(g) ***Income taxes***

Income tax expense comprises current and deferred income tax.

Income tax expense is recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Provision for income tax includes the impact of provisions established for uncertain income tax positions, as well as the related interest and penalties.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred taxes which originate during the tax holiday period are reversed after the tax holiday period. For this purpose, reversal of timing differences is determined using first in first out method.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

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 taxes relate to the same taxable entity and the same taxation authority.

The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the year that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognized subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognized in the statement of profit and loss

(h) ***Property, plant and equipment***

Property, plant and equipment 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. The Company identifies and determines separate useful lives for each major component of the property, plant and equipment, if they have a useful life that is materially different from that of the asset as a whole.

Subsequent expenditure related to an item of property, plant and equipment 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 property, plant and equipment, including day-to-day repairs, maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the year during which such expenses are incurred.

Gains or losses arising from derecognition of 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.

Property, plant and equipment under construction and cost of assets not ready for use at the year-end are disclosed as capital work- in- progress.

Depreciation on property, plant and equipment is provided on the straight-line method over their estimated useful lives, as determined by the management. Depreciation is charged on a pro-rata basis for assets purchased / sold during the year.

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

Asset description	Asset life (in years)
Buildings	20
Plant and equipment (including air conditioners, electrical installations)	10
Office equipment's	5
Computers	4-5
Furniture and fixtures	7
Vehicles - owned	5
Vehicles - leased	Over the period of lease or 5 years, whichever is lower
Leasehold - improvements	Over the lease period or useful life of the asset, whichever is lower

The useful lives as given above best represent the period over which the management expects to use these assets, based on technical assessment. The estimated useful lives for these assets are therefore different from the useful lives prescribed under Part C of Schedule II of the Companies Act 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

(i) ***Intangible assets***

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Intangible assets are amortized over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss.

Gains or losses arising from derecognition of an intangible asset 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.

The intangible assets are amortized over the estimated useful life of the assets as mentioned below except certain Licensed IPRs which include the right to modify, enhance or exploit are amortized in proportion to the expected benefits over the useful life which could range up to 15 years:

Asset description	Asset life (in years)
Software	3
Licensed IPRs	5 to 15
Customer relationships	11
Customer contracts	1
Intellectual property rights	6

(j) ***Research and development costs***

Research costs are expensed as incurred. Development expenditure, on an individual project, is recognized as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. Amortization expense is recognized in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

(k) ***Borrowing costs***

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 asset. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

(l) ***Leases***

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between 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 in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset or the lease term.

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the year in which they are earned.

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 finance lease are recognized as a receivable at an amount equal to the net investment in the leased assets. After initial recognition, the Company apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance leases. The interest income is recognized in the statement of profit and loss. Initial direct costs such as legal cost, brokerage cost etc. are recognized immediately in the statement of profit and loss.

(m) ***Inventory***

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 identifying individual costs of each item. Cost of stock in trade, that are interchangeable and not specific to any project and cost of stores and spare parts are determined using the weighted average cost formula.

(n) ***Impairment of non-financial assets***

Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Company's cash generating units (CGU) expected to benefit from the synergies arising from the business combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU. Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU, pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill recognized in the statement of profit and loss is not reversed in the subsequent period.

Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the asset exceeds the estimated recoverable amount of the asset.

(o) ***Provisions***

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows.

(p) ***Retirement and other employee benefits***

i. Provident fund: Employees of the Company receive benefits under the provident fund, a defined benefit plan. The employee and employer each make monthly contributions to the plan. A portion of the contribution is made to the provident fund trust managed by the Company or Government administered provident fund; while the balance contribution is made to the Government administered pension fund. For the contribution made by the Company to the provident fund trust managed by the Company, the Company has an obligation to fund any shortfall on the yield of the Trust's investments over the administered interest rates. The liability is actuarially determined (using the projected unit credit method) at the end of the year. The funds contributed to the Trust are invested in specific securities as mandated by law and generally consist of federal and state government bonds, debt instruments of government-owned corporations and other eligible market securities.

ii. In respect of superannuation, a defined contribution plan for applicable employees, the Company contributes to a scheme administered on its behalf by an insurance company and such contributions for each year of service rendered by the employees are charged to the statement of profit and loss. The Company has no further obligations to the superannuation plan beyond its contributions.

iii. Gratuity liability: The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's base salary and the tenure of employment (subject to a maximum of ₹ 10 lacs per employee). The liability is actuarially determined (using the projected unit credit method) at the end of each year. Actuarial gains / losses are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the year in which they occur.

   In respect to certain employees in India, the Company contributes towards gratuity liabilities to the Gratuity Fund Trust. Trustees of the Company administer contributions made to the Trust and contributions are invested in a scheme with Life Insurance Corporation of India as permitted by law.

iv. Compensated absences: The employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating in nature. The employees can carry forward up to the specified portion of the unutilized accumulated compensated absences and utilize it in future periods or receive cash at retirement or termination of employment. 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. The expense on non-accumulating compensated absences is recognized in the statement of profit and loss in the year in which the absences occur. Actuarial gains / losses are immediately taken to the statement of profit and loss and are not deferred.

v. State Plans: The contribution to State Plans, a defined contribution plan namely Employee State Insurance Fund and Employees' Pension Scheme for the Company are charged to the statement of profit and loss as and when employees render related services.

(q) ***Equity settled stock based compensation***

Stock-based compensation represents the cost related to stock-based awards granted to employees. The Company measures stock-based compensation cost at grant date, based on the estimated fair value of the award and recognizes the cost (net of estimated forfeitures) on a straight line basis over the requisite service period for each separately vesting portion of the award, as if award was in substance, multiple awards. The Company estimates the fair value of stock options using the Black-Scholes valuation model. The cost is recorded under the head employee benefit expense in the statement of profit and loss with corresponding increase in "Share Based Payment Reserve".

(r) ***Financial Instruments***

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. **Financial assets**

All financial assets are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value measured on initial recognition of financial asset. Purchase and sale of financial assets are accounted for at trade date.

Cash and short-term deposits
Cash and short-term deposits in the balance sheet comprise cash in banks and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

Financial instruments at amortized cost
A financial instrument is measured at the amortized cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in other income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss. This category includes cash and bank balances, loans, unbilled revenue, trade and other receivables.

Financial instrument at Fair Value through Other Comprehensive Income (OCI)
A financial instrument is classified and measured at fair value through OCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The asset's contractual cash flows represent solely payments of principal and interest.

Financial instruments included within the OCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from OCI to statement of profit and loss.

Financial instrument at Fair Value through Profit and Loss
Any financial instrument, which does not meet the criteria for categorization at amortized cost or at fair value through other comprehensive income, is classified at fair value through profit and loss. Financial instruments included in the fair value through profit and loss category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investments
Equity investments in subsidiaries are measured at cost.

Derecognition of financial assets
A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset.

Impairment of financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit and loss. Lifetime ECL allowance is recognized for trade receivables with no significant financing component. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case they are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognized in the statement of profit and loss.

ii. **Financial liabilities**

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade payables, borrowings including bank overdrafts and other payables.

After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in the statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

iii. **Derivative financial instruments and hedge accounting**

Foreign exchange forward contracts and options are purchased to mitigate the risk of changes in foreign exchange rates associated with forecast transactions denominated in certain foreign currencies.

The Company recognizes all derivatives as assets or liabilities measured at their fair value. Changes in fair value for derivatives not designated in a hedge accounting relationship are marked to market at each reporting date and the related gains (losses) are recognized in the statement of profit and loss as 'foreign exchange gains (losses)'.

The foreign exchange forward contracts and options in respect of forecast transactions which meet the hedging criteria are designated as cash flow hedges. Changes in the derivative fair values (net of tax) that are designated as effective cash flow hedges are deferred and recorded in the hedging reserve account as a component of accumulated 'other comprehensive income (loss)' until the hedged transaction occurs and are then recognized in the statement of profit and loss. The ineffective portion of hedging derivatives is immediately recognized in the statement of profit and loss.

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.

Hedge accounting is discontinued prospectively from the last testing date when (1) it is determined that the derivative financial instrument is no longer effective in offsetting changes in the fair value or cash flows of the underlying exposure being hedged; (2) the derivative financial instrument matures or is sold, terminated or exercised; or (3) it is determined that designating the derivative financial instrument as a hedge is no longer appropriate. When hedge accounting is discontinued the deferred gains or losses on the cash flow hedge remain in 'other comprehensive income (loss)' until the forecast transaction occurs. Any further change in the fair value of the derivative financial instrument is recognized in current year earnings.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis to realize the assets and settle the liabilities simultaneously.

(s) ***Dividend***

Final dividend proposed by the Board of Directors is recognized upon approval by the shareholders who have the right to decrease but not increase the amount of dividend recommended by the Board of Directors. Interim dividends are recognized on declaration by the Board of Directors.

(t) ***Earnings per share (EPS)***

Basic EPS amounts are computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares). Dilutive potential equity shares are deemed converted as at the beginning of the year, unless issued at a later date. Dilutive potential equity shares are determined independently for each year presented.

(u) ***Recently issued accounting pronouncements***

On 17 March 2017, the Ministry of Corporate Affairs (MCA), notified Companies (Indian Accounting Standards) (Amendments) Rules, 2017, making amendments to Ind AS 7, 'Statement of cash flows'.

The amendment requires entities to disclose changes arising from non-cash transactions in addition to changes from financing cash flows arising from financial activities. The amendment also suggests providing of reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The amendment is effective for the annual reporting period beginning on or after 1 April, 2017. The Company is currently evaluating the impact that the adoption of this amendment will have on its financial statements and the implementation approach to be used.

2. **Acquisition of Business of Geometric Limited**

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 acquisition will help the Company to create a unique portfolio of end-to-end engineering and R&D capabilities across the full product lifecycle - hardware, software, manufacturing engineering and PLM consulting.

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.

The purchase consideration as per the scheme has been settled by issue of 10 equity shares of ₹ 2 each (aggregating to 15,563,430 equity shares) for every 43 fully paid equity shares of ₹ 2 each held by equity shareholders of Geometric Limited. The total purchase price of ₹ 1,267.02 crores has been allocated to the acquired assets and liabilities as follows:

Notes to financial statements for the year ended 31 March 2017
(All amounts in crores of ₹, except share data and as stated otherwise)

	Amount
Net working capital	177.63
Property, plant & equipments and softwares	45.91
Investments	335.29
Intangible assets	
Customer relationship	151.00
Customer contract	18.90
Intellectual property rights	6.50
Goodwill	531.79
Total purchase consideration	**1,267.02**

The resultant goodwill is not tax deductible and has been allocated to the software segment.

The table below shows the values and lives of intangibles recognized on acquisition:-

	Amount	Life (Years)
Customer relationship	151.00	11
Customer contract	18.90	1
Intellectual property rights	6.50	6
Total Intangibles	**176.40**	

The purchase consideration has been allocated preliminarily based on management's estimates. The Company is in the process of making a final determination of the fair value of assets and liabilities. Finalization of the purchase price allocation may result in certain adjustments to the above allocation.

Notes to financial statements for the year ended 31 March 2017
(All amounts in crores of ₹, except share data and as stated otherwise)

3. Notes to financial statements

3.1 Property, plant and equipment

The changes in the carrying value for the year ended 31 March 2017

	Freehold land	Buildings	Plant and equipment	Office equipment	Computers	Furniture and fixtures	Vehicles		Total
							Owned	Leased	
Gross block as at 1 April 2016	**48.34**	**2,090.92**	**1,080.31**	**194.05**	**1,129.37**	**472.29**	**101.03**	**2.56**	**5,118.87**
Additions	-	372.00	107.40	16.86	166.46	19.41	30.19	-	**712.32**
Acquisitions through business combinations	-	28.12	5.97	2.88	0.23	2.45	-	-	**39.65**
Disposals	-	-	20.85	3.90	11.33	21.45	23.63	2.30	**83.46**
Translation exchange differences	-	-	(0.11)	(0.11)	(0.73)	(0.27)	-	-	**(1.22)**
Gross block as at 31 March 2017	**48.34**	**2,491.04**	**1,172.72**	**209.78**	**1,284.00**	**472.43**	**107.59**	**0.26**	**5,786.16**
Accumulated depreciation as at 1 April 2016	**-**	**377.66**	**598.14**	**152.25**	**826.99**	**351.24**	**49.12**	**0.57**	**2,355.97**
Charge for the year	-	115.63	75.59	16.60	118.28	27.73	20.71	-	**374.54**
Acquisitions through business combinations	-	-	-	-	-	-	-	-	**-**
Deduction / other adjustments	-	0.09	15.53	3.86	10.38	19.43	20.48	0.38	**70.15**
Translation exchange differences	-	-	(0.02)	(0.03)	(0.44)	(0.16)	-	-	**(0.65)**
Accumulated depreciation as at 31 March 2017	**-**	**493.20**	**658.18**	**164.96**	**934.45**	**359.38**	**49.35**	**0.19**	**2,659.71**
Net block as at 31 March 2017	**48.34**	**1,997.84**	**514.54**	**44.82**	**349.55**	**113.05**	**58.24**	**0.07**	**3,126.45**

Notes:

1. On 3 January, 2017, a subsidiary of the Company has entered into an agreement to acquire 100% membership interest of Butler America Aerospace, LLC (Butler Aerospace).

   Butler Aerospace has one design center in India, the Company has acquired the India business of Butler Aerospace at a purchase price of ₹ 3.64 crores.

   The purchase consideration of ₹ 3.64 crores has been allocated to tangible assets of ₹ 0.07 crores and other current assets of ₹ 0.35 crores with the residual ₹ 3.22 crores allocated to goodwill. The resultant goodwill has been allocated to the Software Services segment.

2. Capital work in progress includes ₹ 26.58 crores interest on extended interest bearing suppliers credit and during the year ₹ 22.62 crores have been capitalised by the Company.

Notes to financial statements for the year ended 31 March 2017
(All amounts in crores of ₹, except share data and as stated otherwise)

The changes in the carrying value for the year ended 31 March 2016

	Freehold Land	Buildings	Plant and equipment	Office equipment	Computers	Furniture and fixtures	Vehicles		Total
							Owned	Leased	
Gross block as at 1 July 2015	**80.62**	**2,027.70**	**1,052.88**	**191.46**	**1,038.67**	**496.29**	**94.73**	**2.75**	**4,985.10**
Additions	-	77.21	58.61	14.11	105.73	24.82	20.46	-	**300.94**
Acquisitions through business combinations	-	-	0.12	-	7.38	-	0.43	-	**7.93**
Disposals	32.28	13.99	31.42	11.62	22.86	49.11	14.59	0.19	**176.06**
Translation exchange differences	-	-	0.12	0.10	0.45	0.29	-	-	**0.96**
Gross block as at 31 March 2016	**48.34**	**2,090.92**	**1,080.31**	**194.05**	**1,129.37**	**472.29**	**101.03**	**2.56**	**5,118.87**
Accumulated depreciation as at 1 July 2015	**-**	**309.15**	**570.91**	**149.14**	**771.33**	**372.40**	**44.51**	**0.73**	**2,218.17**
Charge for the year	-	77.97	52.55	12.41	73.30	20.12	15.14	-	**251.49**
Acquisitions through business combinations	-	-	-	-	-	-	-	-	**-**
Deduction / other adjustments	-	9.46	25.42	9.36	17.93	41.51	10.53	0.16	**114.37**
Translation exchange differences	-	-	0.10	0.06	0.29	0.23	-	-	**0.68**
Accumulated depreciation as at 31 March 2016	**-**	**377.66**	**598.14**	**152.25**	**826.99**	**351.24**	**49.12**	**0.57**	**2,355.97**
Net block as at 31 March 2016	**48.34**	**1,713.26**	**482.17**	**41.80**	**302.38**	**121.05**	**51.91**	**1.99**	**2,762.90**
Net block as at 1 July 2015	**80.62**	**1,718.55**	**481.97**	**42.32**	**267.34**	**123.89**	**50.22**	**2.02**	**2,766.93**

Notes:

1. On 31 March 2016, a subsidiary of the Company has acquired the IT divisions of Volvo IT AB (‘Volvo IT’), a subsidiary of AB Volvo, the holding company of the Volvo Group providing IT services to the Volvo group as well as non-Volvo group customers. Total purchase price for the acquisition was ₹ 893.59 crores

   Volvo IT has its presence in several countries including India. As a result of above acquisition, the Company has acquired the Indian business of Volvo IT at a purchase price of ₹ 26.22 crores.

   The purchase consideration of ₹ 26.22 crores has been allocated to tangible assets of ₹ 7.93 crores and intangible assets of ₹ 0.13 crores with the residual ₹ 18.16 crores allocated to goodwill. The resultant goodwill has been allocated to the IT Infrastructure Services segment.

2. Capital work in progress includes ₹ 38.78 crores interest on extended interest bearing suppliers credit and during the year ₹12.00 crores have been capitalised by the Company.

3.2 Goodwill

The changes in the carrying value of goodwill balances by reportable segment, for the year ended 31 March 2017

	Software Services	Infrastructure services	Business process outsourcing services	Total
Opening balance as at 1 April 2016	**-**	**18.16**	**-**	**18.16**
Acquisitions through business combination				
Business of Geometric Limited	531.79	-	-	531.79
Butler Technical Services India Private Limited	3.22	-	-	3.22
Closing balance as at 31 March 2017	**535.01**	**18.16**	**-**	**553.17**

Notes to financial statements for the year ended 31 March 2017
(All amounts in crores of ₹, except share data and as stated otherwise)

The changes in the carrying value of goodwill balances by reportable segment, for the year ended 31 March 2016

	Software Services	Infrastructure services	Business process outsourcing services	Total
Opening balance as at 1 July 2015	**-**	**-**	**-**	**-**
Acquisitions through business combinations				
IT divisions of Volvo IT	-	18.16	-	18.16
Closing balance as at 31 March 2016	**-**	**18.16**	**-**	**18.16**

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the cash generating units (CGU) , which benefit from the synergies of the acquisition.

Goodwill is tested for impairment at least annually. Impairment is recognised, if present value of the future cash flows is less than the carrying value of goodwill. Future cash flows are forecast for 5 years & then on perpetuity on the basis of certain assumptions which includes revenue growth, earnings before interest and taxes, taxes, capital outflow and working capital requirements. The assumptions are taken on the basis of past trends and management estimates and judgement. Future cash flows are discounted with “Weighted Average Cost of Capital”. The key assumptions are as follows:

	As at		
	31 Mar 2017	**31 Mar 2016**	**1 July 2015**
Terminal growth rate (%)	5	5	-
Discount rate (%)	10.40	10.40	-

As at 31 March, 2017 , 31 March 2016 and 1 July, 2015 the estimated recoverable amount of the CGU exceeded its carrying amount and accordingly, no impairment was recognized.

3.3 Other intangible assets

The changes in the carrying value for the year ended 31 March 2017

	Software	Licensed IPRs (refer note below)	Customer relationships	Customer contracts	Intellectual property rights	Total
Gross block as at 1 April 2016	**448.37**	**-**	**-**	**-**	**-**	**448.37**
Additions	98.66	4,214.13	-	-	-	4,312.79
Acquisitions through business combinations	6.26	-	151.00	18.90	6.50	182.66
Disposals	0.07	-	-	-	-	0.07
Translation exchange differences	(0.42)	-	-	-	-	(0.42)
Gross block as at 31 March 2017	**552.80**	**4,214.13**	**151.00**	**18.90**	**6.50**	**4,943.33**
Accumulated depreciation as at 1 April 2016	**413.19**	**-**	**-**	**-**	**-**	**413.19**
Charge for the year	46.18	22.93	15.26	18.90	1.08	**104.35**
Acquisitions through business combinations	-	-	-	-	-	**-**
Deduction / other adjustments	0.06	(116.03)	-	-	-	**(115.97)**
Translation exchange differences	(0.37)	-	-	-	-	**(0.37)**
Accumulated depreciation as at 31 March 2017	**458.94**	**138.96**	**15.26**	**18.90**	**1.08**	**633.14**
Net block as at 31 March 2017	**93.86**	**4,075.17**	**135.74**	**-**	**5.42**	**4,310.19**

Note:-

Deduction / Adjustments includes ₹ 116.03 crores reported as reduction in revenue.

Notes to financial statements for the year ended 31 March 2017
(All amounts in crores of ₹, except share data and as stated otherwise)

The changes in the carrying value for the year ended 31 March 2016

	Software	Licensed IPRs	Customer relationships	Customer contracts	Intellectual property rights	Total
Gross block as at 1 July 2015	**426.96**	**-**	**-**	**-**	**-**	**426.96**
Additions	21.38	-	-	-	-	21.38
Acquisitions through business combinations	0.13	-	-	-	-	0.13
Disposals	0.39	-	-	-	-	0.39
Translation exchange differences	0.29	-	-	-	-	0.29
Gross block as at 31 March 2016	**448.37**	**-**	**-**	**-**	**-**	**448.37**
Accumulated depreciation as at 1 July 2015	**387.71**	**-**	**-**	**-**	**-**	**387.71**
Charge for the year	25.40	-	-	-	-	25.40
Acquisitions through business combinations	-	-	-	-	-	-
Deduction / other adjustments	0.12	-	-	-	-	0.12
Translation exchange differences	0.20	-	-	-	-	0.20
Accumulated depreciation as at 31 March 2016	**413.19**	**-**	**-**	**-**	**-**	**413.19**
Net block as at 31 March 2016	**35.18**	**-**	**-**	**-**	**-**	**35.18**
Net block as at 1 July 2015	**39.25**	**-**	**-**	**-**	**-**	**39.25**

3.4 Financial assets - Investments

	As at		
	31 Mar 2017	**31 Mar 2016**	**1 July 2015**
Financial assets			
Non-current			
Equity investment in subsidiary companies carried at cost (unquoted and fully paid up)			
445,492,500 (31 March 2016: 409,670,582, 1 July 2015: 409,670,582) equity shares of USD 1 each in HCL Bermuda Limited, Bermuda [refer note (i) below]	3,193.87	1,829.27	1,829.27
1,280 (31 March 2016: 1,280, 1 July 2015: 1,280) equity shares of ₹ 10,000 each, in HCL Comnet Systems & Services Limited	11.22	11.22	11.22
949,900 (31 March 2016: 949,900, 1 July 2015: 949,900) equity shares of ₹ 10 each, in HCL Comnet Limited	54.94	54.94	54.94
HCL Technologies (Shanghai) Limited (issued & registered capital)	9.95	9.95	9.95
1,033,384 (31 March 2016: 1,033,384, 1 July 2015: 1,033,384) equity shares of SGD 1 each, in HCL Singapore Pte. Limited	5.25	5.25	5.25
30,000,000 (31 March 2016: 30,000,000, 1 July 2015: 30,000,000) equity shares of Pound 1 each fully paid up, in HCL EAS Limited	224.80	224.80	224.80
1 (31 March 2016: 1, 1 July 2015: 1) equity shares of Euro 100 each, in HCL GmbH	0.11	0.11	0.11
92,000 (31 March 2016: 92,000, 1 July 2015: 92,000) equity shares of ₹ 10 each in HCL Eagle Limited	0.09	0.09	0.09

Notes to financial statements for the year ended 31 March 2017
(All amounts in crores of ₹, except share data and as stated otherwise)

	As at		
	31 Mar 2017	31 Mar 2016	1 July 2015
50,000 (31 March 2016: 50,000, 1 July 2015: 50,000) equity shares of ₹ 10 each in HCL Foundation	-	-	-
1,751,301 (31 March 2016: 1,751,301, 1 July 2015: Nil) equity shares of ₹ 10 each in HCL Training & Staffing Services Private Limited [refer note (ii) below]	2.35	2.35	-
100,000 equity shares of SGD 1 each, in Geometric Asia Pacific Pte. Ltd., Singapore [refer note (iii) below]	16.87	-	-
Euro 14.05 million invested in equity share capital of Geometric Europe GmbH, Germany [refer note (iii) below]	67.28	-	-
1,432 non assessable shares of USD 1 each, in Geometric Americas, Inc.,U.S.A [refer note (iii) below]	223.37	-	-
Nil (31 March 2016: 261,500,000, 1 July 2015: 261,500,000) preference shares of USD 1 each in HCL Bermuda Limited, Bermuda [refer note (i) below]	-	1,364.60	1,364.60
Aggregate amount of non- current investments	**3,810.10**	**3,502.58**	**3,500.23**
Current			
Carried at fair value through profit and loss			
Investment in mutual fund	914.14	471.72	627.70
Aggregate amount of current investments	**914.14**	**471.72**	**627.70**

Notes:-

(i) During the year, 261,500,000 preference shares of HCL Bermuda Limited were converted into 35,821,918 equity shares at fair value.

(ii) During the previous year,the Company has acquired the entire equity share capital of HCL Training & Staffing Services Private Limited for a total purchase consideration of ₹ 2.35 crores. The acquisition will enable the Company to supplement its capabilities in hiring of trained resources.

(iii) On 1 April 2016, these companies were acquired by way of merger through court approved scheme (refer note 2).

3.5 Financial assets - Loans

	As at		
	31 Mar 2017	31 Mar 2016	1 July 2015
Non - current			
Carried at amortized cost			
Unsecured , considered good			
Loans to employees	0.07	15.00	15.01
	0.07	**15.00**	**15.01**
Current			
Carried at amortized cost			
Unsecured , considered good			
Others			
Inter corporate deposits with HDFC Limited	2,499.51	1,985.40	1,193.00
Loans to related parties (refer note 3.31)	25.23	-	-
Loans to employees	18.02	28.97	0.19
	2,542.76	**2,014.37**	**1,193.19**

Notes to financial statements for the year ended 31 March 2017
(All amounts in crores of ₹, except share data and as stated otherwise)

3.6 Other financial assets

	As at		
	31 Mar 2017	31 Mar 2016	1 July 2015
Non - current			
Carried at amortized cost			
Bank deposits with more than 12 months maturity (refer note 1 below)	2.21	0.01	0.01
Finance lease receivables [refer note 3.28(ii)]	3.15	24.72	41.70
Security deposits	32.23	37.63	45.78
Security deposits - related parties (refer note 3.31)	12.85	-	-
Other receivables	5.17	44.55	87.65
	55.61	**106.91**	**175.14**
Carried at fair value through other comprehensive income			
Unrealized gain on derivative financial instruments [refer note 3.29(a)]	131.24	13.11	0.61
	186.85	**120.02**	**175.75**
Current			
Carried at amortized cost			
Unbilled revenue	400.71	452.11	545.29
Unbilled revenue-related parties (refer note 3.31)	461.89	936.46	586.91
Interest receivable	63.72	104.42	99.46
Interest receivable - related parties (refer note 3.31)	1.82	-	-
Security deposits	38.92	36.92	28.40
Finance lease receivables [refer note 3.28(ii)]	31.34	32.90	21.45
Other receivables	54.98	-	-
	1,053.38	**1,562.81**	**1,281.51**
Carried at fair value through other comprehensive income			
Unrealized gain on derivative financial instruments [refer note 3.29(a)]	457.45	41.72	12.34
Carried at fair value through profit and loss			
Unrealized gain on derivative financial instruments [refer note 3.29(a)]	7.23	5.63	4.52
	1,518.06	**1,610.16**	**1,298.37**

Note:-

1. Pledged with banks as security for guarantees ₹ 2.21 crores (31 March 2016: ₹ 0.01 crores, 1 July 2015: ₹ 0.01 crores)

3.7 Other non- current assets

	As at		
	31 Mar 2017	31 Mar 2016	1 July 2015
Unsecured considered good unless otherwise stated			
Capital advances	51.32	45.76	28.19
Capital advances-related parties (refer note 3.31)	0.02	1.00	-
Advances other than capital advances			
Security deposits	33.75	27.80	24.40
Advance to suppliers	-	85.75	85.75
Others			
Prepaid expenses	73.07	77.57	82.37
Prepaid rentals for leasehold land	288.99	254.46	255.08
Deferred cost	199.44	239.84	219.83
	646.59	**732.18**	**695.62**

Notes to financial statements for the year ended 31 March 2017
(All amounts in crores of ₹, except share data and as stated otherwise)

3.8 Inventories

	As at		
	31 Mar 2017	**31 Mar 2016**	**1 July 2015**
Stock-in-trade [including in transit ₹ Nil (31 March 2016: ₹ 0.17 crores, 1 July 2015: ₹ 23.19 crores)]	89.93	128.56	81.77
Stores and spares	-	-	1.88
	89.93	**128.56**	**83.65**

3.9 Trade receivables

	As at		
	31 Mar 2017	**31 Mar 2016**	**1 July 2015**
Unsecured considered good	4,418.39	4,084.53	3,578.28
Unsecured considered doubtful	119.99	143.80	112.43
	4,538.38	**4,228.33**	**3,690.71**
Provision for doubtful receivables	(119.99)	(143.80)	(112.43)
	4,418.39	**4,084.53**	**3,578.28**

Note:-

1. Includes receivables from related parties amounting to ₹ 2,780.53 crores (31 March 2016: ₹ 2,390.58 crores, 1 July 2015: ₹ 2,051.68 crores)

3.10 Cash and bank balances

	As at		
	31 Mar 2017	**31 Mar 2016**	**1 July 2015**
(a) Cash and cash equivalent			
Balance with banks			
- in current accounts	307.85	81.77	269.61
Cheques in hand	2.23	4.89	50.03
Remittances in transit	37.58	35.11	110.10
Unclaimed dividend account	4.34	3.40	2.99
	352.00	**125.17**	**432.73**
(b) Other bank balances			
Deposits with remaining maturity of more than 3 months but up to 12 months (refer note 1 below)	7,610.35	8,537.79	8,396.68
	7,962.35	**8,662.96**	**8,829.41**

Note:-

1. Pledged with banks as security for guarantees ₹ 0.16 crores (31 March 2016: Nil, 1 July 2015:Nil)

3.11 Other current assets

	As at		
	31 Mar 2017	**31 Mar 2016**	**1 July 2015**
Unsecured , considered good			
Advances other than capital advances			
Security deposits	10.10	32.79	6.45
Security deposits - related parties (refer note 3.31)	-	0.45	0.45
Advances to related parties (refer note 3.31)	55.73	80.80	56.01
Advances to employees	31.66	32.72	41.17
Advances to suppliers	42.17	29.41	13.18

Notes to financial statements for the year ended 31 March 2017
(All amounts in crores of ₹, except share data and as stated otherwise)

	As at		
	31 Mar 2017	**31 Mar 2016**	**1 July 2015**
Others			
Deferred cost	144.96	161.42	149.98
Deferred cost-related parties (refer note 3.31)	1.89	2.01	2.01
Prepaid expenses	173.14	158.39	128.05
Prepaid rentals for leasehold land	3.49	3.07	2.99
Prepaid expenses - related parties (refer note 3.31)	0.17	1.39	1.86
Service tax receivable	104.44	62.62	66.06
Other advances	103.51	102.81	104.87
	671.26	**667.88**	**573.08**
Unsecured , considered doubtful			
Advances other than capital advances			
Advances to employees	35.67	32.69	42.62
Other advances	4.78	2.86	2.84
Less: Provision for doubtful advances	(40.45)	(35.55)	(45.46)
	-	-	-
	671.26	**667.88**	**573.08**

3.12 Share capital

	As at		
	31 March 2017	**31 March 2016**	**1 July 2015**
Authorized 1,500,000,000 (31 March 2016: 1,500,000,000, 1 July 2015: 1,500,000,000) equity shares of ₹ 2 each	300.00	300.00	300.00
Issued, subscribed and fully paid up 1,426,783,424 (31 March 2016: 1,410,381,314, 1 July 2015: 1,405,978,418) equity shares of ₹ 2 each	285.36	282.08	281.20

Terms / rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of ₹ 2 / -. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Reconciliation of the number of shares outstanding at the beginning and at the end of the financial year

	As at			
	31 March 2017		**31 March 2016**	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
Number of shares at the beginning	1,410,381,314	282.08	1,405,978,418	281.20
Add: Shares issued on exercise of employee stock options	838,680	0.17	4,402,896	0.88
Add: Shares issued on account of business combination (refer note 2)	15,563,430	3.11	-	-
Number of shares at the end	1,426,783,424	285.36	1,410,381,314	282.08

The Company does not have any holding / ultimate holding company.

Notes to financial statements for the year ended 31 March 2017
(All amounts in crores of ₹, except share data and as stated otherwise)

Details of shareholders holding more than 5 % shares in the company

Name of the shareholder	As at					
	31 March 2017		31 March 2016		1 July 2015	
	No. of shares	% holding in the class	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	583,347,024	40.89%	600,097,024	42.55%	600,097,024	42.68%
HCL Holdings Private Limited	239,097,816	16.76%	239,097,816	16.95%	239,097,816	17.01%

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		
	31 March 2017	31 March 2016	1 July 2015
Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash.	15,573,555 Equity shares	10,125 Equity shares	10,125 Equity shares
Aggregate number and class of shares allotted as fully paid up by way of bonus shares.	702,847,961 Equity Shares	702,847,961 Equity Shares	702,847,961 Equity Shares
Aggregate number and class of shares bought back	Nil	Nil	Nil

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.

Capital management

The primary objective of the Company's capital management is to support business continuity and growth of the company while maximizing the shareholder value. The company has been declaring quarterly dividend for last 14 years. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are generally met through operating cash flows generated.

Employee Stock Option Plan (ESOP)

The Company has provided share-based payment schemes to its employees. During the year ended 31 March 2017 and 2016, the following scheme was in operation:

	ESOP 2004
Maximum number of options under the plan	20,000,000
Method of settlement (cash / equity)	Equity
Vesting period (maximum)	96 months
Exercise period from the date of vesting (maximum)	5 years
Vesting conditions	Service period / Company performance

Each option granted under the above plans entitles the holder to eight equity shares (four equity shares prior to 1:1 bonus issue) of the Company at an exercise price, which is approved by the Nomination and Remuneration Committee.

Notes to financial statements for the year ended 31 March 2017
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The details of activity under the plan has been summarized below:-

ESOP 2004	Year ended			
	31 March 2017		31 March 2016	
	No of options	Weighted average exercise price (₹)	No of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	460,147	16.00	1,027,279	16.00
Add: Granted during the year	-	-	-	-
Less: Forfeited during the year	(152,610)	16.00	(15,570)	16.00
Exercised during the year	(104,835)	16.00	(550,362)	16.00
Expired during the year	(18,787)	16.00	(1,200)	16.00
Options outstanding at the end of the year *	**183,915**	**16.00**	**460,147**	**16.00**
Options exercisable at the end of the year	**176,715**		**300,337**	

The weighted average option price at the date of exercise for stock options exercised during the year was ₹ 6,220.41 (previous year ₹ 6,865.47)

* Total number of outstanding options includes 183,915 performance based options as on 31 March 2017 (421,590 as on 31 March 2016). These options will vest to the employees of the Company based on the achievement of certain targets by the Company.

The details of exercise price for stock options outstanding at the end of the year 31 March 2017 is as below:

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 - 2004	₹ 16	183,915	2.46	16.00

The details of exercise price for stock options outstanding at the end of the year 31 March 2016 is as below:

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 - 2004	₹ 16	460,147	3.14	16.00

There are no options granted during the current year and previous year.

3.13 Borrowings

	Non-current			Current		
	As at			As at		
	31 Mar 2017	31 Mar 2016	1 July 2015	31 Mar 2017	31 Mar 2016	1 July 2015
Long term borrowings						
Secured						
Term loan from banks (refer note 1 below)	31.24	28.16	27.22	13.63	13.47	13.41
Short term borrowings						
Unsecured						
Bank overdraft (refer note 2 below)	-	-	-	-	0.03	-
	31.24	**28.16**	**27.22**	**13.63**	**13.50**	**13.41**
Current maturities of long term borrowings disclosed under Note 3.14 "Other financial liabilities"	**-**	**-**	**-**	(13.63)	(13.47)	(13.41)
	31.24	**28.16**	**27.22**	**-**	**0.03**	**-**

Notes to financial statements for the year ended 31 March 2017
(All amounts in crores of ₹, except share data and as stated otherwise)

Notes:-

1. The Company has availed of term loans of ₹ 44.87 crores (31 March 2016: ₹ 41.63 crores, 1 July 2015: ₹ 40.63 crores) secured by hypothecation of gross block of vehicles of ₹ 99.91 crores (31 March 2016: ₹ 94.90 crores, 1 July 2015: ₹ 89.20 crores) at interest rates ranging from 9.15% p.a. to 10.50% p.a.. The loans are repayable over a period of 3 to 5 years on a monthly basis

2. Current borrowings were primarily on account of bank overdrafts required for management of working capital.

3.14 Other financial liabilities

	As at		
	31 Mar 2017	**31 Mar 2016**	**1 July 2015**
Non - current			
Carried at amortized cost			
Employee bonuses accrued	7.16	57.56	0.84
Carried at fair value through other comprehensive income			
Unrealized loss on derivative financial instruments [refer note 3.29(a)]	-	17.91	37.74
	7.16	**75.47**	**38.58**
Current			
Carried at amortized cost			
Current maturities of long term borrowings	13.63	13.47	13.41
Unclaimed dividends	4.34	3.40	2.99
Accrued salaries and benefits			
Employee bonuses accrued	289.02	309.67	391.39
Other employee costs	206.15	161.95	183.34
Others			
Liabilities for expenses	700.54	684.74	771.82
Liabilities for expenses-related parties (refer note 3.31)	593.77	580.38	493.94
Capital accounts payables [includes supplier credit ₹ 184.55 crores (31 March 2016: ₹ 252.48 crores, 1 July 2015: ₹ 423.49 crores)]	1,907.89	415.96	670.67
Capital accounts payables-related parties [includes supplier credit ₹ 0.13 crores (31 March 2016: ₹ 3.60 crores, 1 July 2015: ₹ 4.38 crores)] (refer note 3.31)	0.13	3.61	6.87
Supplier credit	238.29	322.81	396.11
Supplier credit -related parties (refer note 3.31)	18.47	13.17	9.54
Book overdraft	-	0.08	-
	3,972.23	**2,509.24**	**2,940.08**
Carried at fair value through other comprehensive income			
Unrealized loss on derivative financial instruments [refer note 3.29(a)]	-	10.25	12.50
Carried at fair value through profit and loss			
Unrealized loss on derivative financial instruments [refer note 3.29(a)]	31.42	1.77	2.70
	4,003.65	**2,521.26**	**2,955.28**

Notes to financial statements for the year ended 31 March 2017
(All amounts in crores of ₹, except share data and as stated otherwise)

3.15 Provisions

	As at		
	31 Mar 2017	31 Mar 2016	1 July 2015
Non - Current			
Provision for employee benefits			
Provision for gratuity (refer note 3.30)	277.30	219.45	197.93
Provision for leave benefits	133.97	124.63	106.52
	411.27	**344.08**	**304.45**
Current			
Provision for employee benefits			
Provision for gratuity (refer note 3.30)	49.94	48.25	47.43
Provision for leave benefits	60.95	48.09	52.58
	110.89	**96.34**	**100.01**

3.16 Other non-current liabilities

	As at		
	31 Mar 2017	31 Mar 2016	1 July 2015
Revenue received in advance	16.14	58.04	135.55
Revenue received in advance- related parties (refer note 3.31)	1.31	57.64	93.38
Others	16.92	15.09	16.27
	34.37	**130.77**	**245.20**

3.17 Trade payables

	As at		
	31 Mar 2017	31 Mar 2016	1 July 2015
Trade payables	103.44	151.84	180.94
Trade payables-related parties (refer note 3.31)	381.15	302.08	287.64
	484.59	**453.92**	**468.58**

3.18 Other current liabilities

	As at		
	31 Mar 2017	31 Mar 2016	1 July 2015
Revenue received in advance	279.09	383.79	298.47
Revenue received in advance-related parties (refer note 3.31)	418.29	238.11	257.06
Other Advances			
Advances received from customers	22.80	14.37	28.09
Advances received from customers - related parties (refer note 3.31)	0.15	2.41	2.41
Others			
Withholding and other taxes payable	165.13	126.93	104.60
	885.46	**765.61**	**690.63**

3.19 Revenue from operations

	Year ended	
	31 Mar 2017 (Twelve months)	31 Mar 2016 (Nine months)
Sale of services	19,150.19	13,308.66
Sale of hardware and software	168.12	125.98
	19,318.31	**13,434.64**

Notes to financial statements for the year ended 31 March 2017
(All amounts in crores of ₹, except share data and as stated otherwise)

3.20 Other income

	Year ended	
	31 Mar 2017 (Twelve months)	**31 Mar 2016** (Nine months)
Interest income		
- On fixed deposits	773.16	641.74
- On financial assets carried at amortized cost	11.14	3.56
- Others	3.29	1.28
Income on investments carried at fair value through profit and loss		
- Dividend on mutual fund	5.58	-
- Gains on mutual funds	40.34	17.55
Dividends from subsidiary companies	25.92	61.64
Profit on sale of property, plant and equipments (refer note 1 below)	1.68	140.47
Exchange differences (net)	56.73	96.52
Miscellaneous income	37.49	5.66
	955.33	**968.42**

Note

1. Net of loss on sale of property, plant & equipment ₹ 3.54 crores (Previous Year ₹ 0.41 crores).

3.21 Changes in inventories of stock-in-trade

	Year ended	
	31 Mar 2017 (Twelve months)	**31 Mar 2016** (Nine months)
Opening stock	128.56	81.77
Closing stock	(89.93)	(128.56)
	38.63	**(46.79)**

3.22 Employee benefits expense

	Year ended	
	31 Mar 2017 (Twelve months)	**31 Mar 2016** (Nine months)
Salaries, wages and bonus	6,545.44	4,655.74
Contribution to provident fund and other employee funds	244.90	169.72
Staff welfare expenses	53.04	35.19
Share based payments to employees	-	6.27
	6,843.38	**4,866.92**

3.23 Finance cost

	Year ended	
	31 Mar 2017 (Twelve months)	**31 Mar 2016** (Nine months)
Interest		
- on loans from banks	4.94	3.75
- others	45.70	37.62
Bank charges	5.39	4.45
	56.03	**45.82**

Notes to financial statements for the year ended 31 March 2017
(All amounts in crores of ₹, except share data and as stated otherwise)

3.24 Other expenses

	Year ended	
	31 Mar 2017 (Twelve months)	**31 Mar 2016** (Nine months)
Rent	217.27	119.18
Power and fuel	233.54	167.23
Insurance	15.01	8.54
Repairs and maintenance		
- Plant and machinery	37.15	36.42
- Buildings	60.78	38.73
- Others	163.73	126.36
Communication costs	131.07	94.96
Books and periodicals	5.54	5.50
Travel and conveyance	740.39	621.09
Business promotion	9.63	1.47
Legal and professional charges	131.59	64.83
Software license fee	224.04	156.13
Printing and stationery	8.83	6.65
Rates and taxes	12.58	38.89
Provision for doubtful advances / advances written off	16.37	6.01
Donations	0.03	-
CSR expenditure	40.12	13.04
Recruitment, training and development	82.34	64.42
Provision for doubtful debts / bad debts written off	10.94	41.14
Miscellaneous expenses	97.71	60.99
	2,238.66	**1,671.58**

3.25 Income taxes

	Year ended	
	31 Mar 2017 (Twelve months)	**31 Mar 2016** (Nine months)
Income tax charged to statement of profit and loss		
Current income tax charge	1,537.33	1,269.60
Deferred tax charge (credit)	(133.95)	(207.13)
	1,403.38	**1,062.47**
Income tax charged to other comprehensive income		
Expense (benefit) on re-measurements of defined benefit plans	(1.39)	2.33
Expense (benefit) on revaluation of cash flow hedges	109.56	11.60
	108.17	**13.93**

Notes to financial statements for the year ended 31 March 2017
(All amounts in crores of ₹, except share data and as stated otherwise)

The reconciliation between the Company's provision for income tax and amount computed by applying the statutory income tax rate in India is as follows:

	Year ended	
	31 Mar 2017 (Twelve months)	**31 Mar 2016** (Nine months)
Profit before income tax	8,276.07	5,781.55
Statutory tax rate in India	34.6%	34.6%
Expected tax expense	**2,864.18**	**2,000.88**
Non-taxable export income	(1,303.88)	(910.21)
Non-taxable other income	(10.90)	(21.33)
Income tax at lower / higher rate	-	(27.42)
Provision for deemed branch taxes	2.61	4.79
Reversal of prior year provision	(229.16)	-
Withholding tax	59.15	13.29
Other permanent differences	21.38	2.48
Total taxes	**1,403.38**	**1,062.47**
Effective income tax rate	17.0%	18.4%

The company has benefited from certain tax incentives that the Government of India has provided for the units situated in Special Economic Zones (SEZs) under the Special Economic Zone Act, 2005, which began providing services on or after April 1, 2005. The eligible units are eligible for a deduction of 100% of profits or gains derived from the export of services for the first five years from commencement of provision of services and 50% of such profits and gains for a further five years. Certain tax benefits are also available for a further five years subject to the unit meeting defined conditions. The aforesaid tax benefits will not be available to Units commencing operations on or after April 1, 2020.

The Company is subject to Minimum Alternate Tax (MAT) on its book profits, which gives rise to future economic benefits in the form of adjustment of future income tax liability. MAT paid for a year can be set-off against the normal tax liability within fifteen subsequent years, expiring between the years 2023 to 2032.

Components of deferred tax assets and liabilities as on 31 March 2017

	Opening balance	**Recognized in profit and loss**	**Recognised in / reclassified from OCI**	**Acquisitions**	**Exchange difference**	**Closing balance**
Deferred tax assets						
MAT credit entitlement	951.54	169.47	-	-	-	1,121.01
Provision for doubtful debts	-	47.58	-	1.88	-	49.46
Accrued employee costs	124.39	17.07	1.39	3.35	-	146.20
Unrealized loss on derivative financial instruments	-	-	-	-	-	-
Depreciation and amortization	3.64	(1.90)	-	0.34	-	2.08
Others	110.18	(60.36)	-	-	-	49.82
Gross deferred tax assets (A)	**1,189.75**	**171.86**	**1.39**	**5.57**	**-**	**1,368.57**
Deferred tax liabilities						
Depreciation and amortization	-	28.03	-	-	-	28.03
Unrealized gain on fair value through OCI securities	-	-	-	-	-	-
Unrealized gain on derivative financial instruments	1.89	-	109.56	-	-	111.45
Others	8.14	9.88	-	-	-	18.02
Gross deferred tax liabilities (B)	**10.03**	**37.91**	**109.56**	**-**	**-**	**157.50**
Net deferred tax assets (A-B)	**1,179.72**	**133.95**	**(108.17)**	**5.57**	**-**	**1,211.07**

Notes to financial statements for the year ended 31 March 2017
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Components of deferred tax assets and liabilities as on 31 March 2016

	Opening balance	Recognized in profit and loss	Recognised in / reclassified from OCI	Acquisitions	Exchange difference	Closing balance
Deferred tax assets						
MAT credit entitlement	769.68	181.86	-	-	-	951.54
Accrued employee costs	108.19	18.54	(2.33)	-	(0.01)	124.39
Unrealized loss on derivative financial instruments	9.71	-	(9.71)	-	-	-
Depreciation and amortization	25.61	(21.97)	-	-	-	3.64
Others	86.47	23.71	-	-	-	110.18
Gross deferred tax assets (A)	**999.66**	**202.14**	**(12.04)**	**-**	**(0.01)**	**1,189.75**
Deferred tax liabilities						
Unrealized gain on derivative financial instruments	-	-	1.89	-	-	1.89
Others	13.13	(4.99)	-	-	-	8.14
Gross deferred tax liabilities (B)	**13.13**	**(4.99)**	**1.89**	**-**	**-**	**10.03**
Net deferred tax assets (A-B)	**986.53**	**207.13**	**(13.93)**	**-**	**(0.01)**	**1,179.72**

The amount of deferred tax asset primarily related to MAT credit entitlements of the Company not recognised in the balance sheet with year of expiry is as below:

Year ending 31 March ,	**Business losses**
- 2018	-
- 2019	-
- 2020	-
- 2021	-
- 2022	-
- Thereafter	70.35

3.26 Components of other comprehensive income

	For the year ended	
	31 March 2017	**31 March 2016**
A. Items that will not be reclassified to statement of profit and loss		
Retained earnings (Actuarial gain (loss) relating to defined benefit plan)		
Opening balance (net of tax)	8.97	-
Actuarial gains (losses)	(6.83)	11.30
Income tax benefit (expense)	1.39	(2.33)
Closing balance (net of tax)	3.53	8.97
B. Items that will be reclassified subsequently to statement of profit and loss		
Foreign currency translation reserve		
Opening balance	(22.58)	(35.09)
Foreign currency translation	(26.05)	12.51
Reclassification adjustments into other (income) expense, net	-	-
Closing balance	(48.63)	(22.58)
Cash flow hedging reserve		
Opening balance (net of tax)	8.09	(40.68)
Unrealized gains (losses)	676.54	30.32
Business combination	1.47	-
Reclassification adjustments into other (income) expense, net	(131.37)	30.05
Income tax benefit (expense)	(109.56)	(11.60)
Closing balance (net of tax)	445.17	8.09
TOTAL (B)	**396.54**	**(14.49)**

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3.27 Earnings per share

The computation of earnings per share is as follows:

	Year ended	
	31 March 2017 (Twelve months)	31 March 2016 (Nine months)
Net profit as per statement of profit and loss for computation of EPS	6,872.69	4,719.08
Weighted average number of equity shares outstanding in calculating Basic EPS	1,426,496,539	1,407,845,713
Dilutive effect of stock options outstanding	1,467,621	3,672,800
Weighted average number of equity shares outstanding in calculating dilutive EPS	1,427,964,160	1,411,518,513
Nominal value of equity shares (in ₹)	2.00	2.00
Earnings per equity share (in ₹)		
- Basic	48.18	33.52
- Diluted	48.13	33.43

3.28 Leases

i) Operating lease

The Company's significant leasing arrangements are in respect of operating leases for office spaces and accommodation for its employees. The aggregate lease rental expense recognized in the statement of profit and loss for the year amounts to ₹ 217.27 crores [Previous year (nine months) ₹ 119.18 crores].

The lease equalization reserve amount for non-cancellable operating lease payable in future years and accounted for by the Company is ₹ 83.54 crores (31 March 2016: ₹ 85.49 crores, 1 July 2015: ₹ 115.20 crores). Future minimum lease payments and the payment profile of non-cancellable operating leases are as follows:

	Year ended		
	31 March 2017	31 March 2016	1 July 2015
Not later than one year	166.91	155.52	184.75
Later than one year and not later than 5 years	458.45	413.06	592.35
Later than five years	266.32	381.01	578.94
	891.68	**949.59**	**1,356.04**

ii) Finance lease: In case of assets given on lease

The Company has given IT 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	Interest included in minimum lease payments receivable	Present value of minimum lease payments receivable
As on 31 March 2017			
Not later than one year	31.93	0.59	31.34
Later than one year and not later than 5 years	3.18	0.28	2.90
Later than 5 years	0.30	0.05	0.25
	35.41	0.92	34.49
As on 31 March 2016			
Not later than one year	35.99	3.09	32.90
Later than one year and not later than 5 years	27.02	2.30	24.72
	63.01	5.39	57.62
As on 1 July 2015			
Not later than one year	28.71	7.26	21.45
Later than one year and not later than 5 years	42.92	1.22	41.70
	71.63	8.48	63.15

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3.29 Financial instruments

(a) Derivatives

The Company is exposed to foreign currency fluctuations on foreign currency assets / liabilities and forecast cash flows denominated in foreign currency. The use of derivatives to hedge foreign currency forecast cash flows is governed by the Company's strategy, which provides principles on the use of such forward contracts and currency options consistent with the Company's Risk Management Policy. The counterparty in these derivative instruments is a bank and the Company considers the risks of non-performance by the counterparty as insignificant. The Company has entered into a series of foreign exchange forward contracts that are designated as cash flow hedges and the related forecasted transactions extend through January 2019. The Company does not use forward covers and currency options for speculative purposes.

The following table presents the aggregate notional principal amounts of the outstanding derivative forward covers together with the related balance sheet exposure:

Foreign exchange forward denominated in	Notional currency	Notional principal amounts (amount in thousands)			Balance sheet exposure Asset (Liability) (₹)		
		31 March 2017	31 March 2016	1 July 2015	31 March 2017	31 March 2016	1 July 2015
Sell covers							
USD / INR	USD	100,874	275,250	498,660	35.21	(46.81)	(71.74)
GBP / INR	GBP	2,750	2,816	1,000	-	(0.12)	(0.39)
EURO / INR	EUR	6,538	2,000	12,500	5.27	2.22	13.30
CHF / INR	CHF	14,750	9,599	1,000	11.82	0.57	0.11
SEK / INR	SEK	60,000	108,000	15,000	3.04	(0.76)	0.29
AUD / INR	AUD	14,000	4,350	-	2.95	(0.06)	-
NOK / INR	NOK	155,000	37,000	-	10.63	(0.17)	-
EURO / USD	EUR	-	-	14,246	-	-	0.55
GBP / USD	GBP	-	-	11,000	-	-	0.47
NOK / USD	NOK	51,000	-	116,000	0.02	-	(0.14)
JPY / USD	JPY	-	-	300,000	-	-	(0.17)
RUB / USD	RUB	32,000	100,000	185,000	(0.15)	(0.58)	0.18
AUD / USD	AUD	-	-	12,770	-	-	0.28
CHF / USD	CHF	4,600	370	11,050	0.22	(0.01)	(0.48)
ZAR / USD	ZAR	-	10,000	107,000	-	(0.04)	0.13
SEK / USD	SEK	27,350	1,880	55,373	(0.02)	(0.08)	(0.95)
CNY / USD	CNY	-	105,000	-	-	(0.99)	-
Buy covers							
GBP / USD	GBP	12,000	-	-	0.29	-	-
USD / INR	USD	96,875	-	-	(33.44)	-	-
AUD / USD	AUD	2,000	-	-	-	-	-
					35.84	**(46.83)**	**(58.56)**

Notes to financial statements for the year ended 31 March 2017
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The following table presents the aggregate notional principal amounts of the outstanding forward options together with the related balance sheet exposure:

	Notional currency	Notional principal amounts (amount in thousands)			Balance sheet exposure Asset (Liability) (₹)		
		31 March 2017	31 March 2016	1 July 2015	31 March 2017	31 March 2016	1 July 2015
Range forward							
USD / INR	USD	844,290	481,955	524,230	338.08	48.36	23.60
GBP / INR	GBP	96,820	36,920	54,350	90.66	28.57	(5.36)
EURO / INR	EUR	116,400	82,300	93,240	91.01	1.43	2.15
AUD / INR	AUD	38,960	25,950	13,800	7.96	(2.10)	2.01
CHF / INR	CHF	-	1,235	-	-	0.10	-
PUT							
USD / INR	USD	-	24,000	2,000	-	0.31	0.14
Seagull							
USD / INR	USD	-	8,000	28,600	-	0.98	0.73
EURO / INR	EUR	11,170	4,000	4,300	0.95	(0.29)	(0.18)
					528.66	**77.36**	**23.09**

The notional amount is a key element of derivative financial instrument agreements. However, notional amounts do not represent the amount exchanged by counterparties and do not measure the Company's exposure to credit risk as these contracts are settled at their fair values at the maturity date.

The balance sheet exposure denotes the fair values of these contracts at the reporting date and is presented in ₹ crores. The Company presents its foreign exchange derivative instruments on a net basis in the financial statements due to the right of offset by its individual counterparties under master netting agreements.

The fair value of the derivative instruments presented on a gross basis as at each date indicated below is as follows:

	As at 31 March 2017				
	Financial assets		Financial liabilities		Total fair value
	Current	Non current	Current	Non current	
Derivatives designated as hedging instruments					
Foreign exchange contracts in an asset position	457.45	131.24	-	-	588.69
Foreign exchange contracts in an liability position	-	-	-	-	-
Net asset (liability)	457.45	131.24	-	-	588.69
Derivatives not designated as hedging instruments					
Foreign exchange contracts in an asset position	9.45	-	2.22	-	11.67
Foreign exchange contracts in an liability position	(2.22)	-	(33.64)	-	(35.86)
Net asset (liability)	7.23	-	(31.42)	-	(24.19)
Total derivatives at fair value	**464.68**	**131.24**	**(31.42)**	**-**	**564.50**

	As at 31 March 2016				
	Financial assets		Financial liabilities		Total fair value
	Current	Non current	Current	Non current	
Derivatives designated as hedging instruments					
Foreign exchange contracts in an asset position	70.96	14.48	29.24	1.37	116.05
Foreign exchange contracts in an liability position	(29.24)	(1.37)	(39.49)	(19.28)	(89.38)
Net asset (liability)	41.72	13.11	(10.25)	(17.91)	26.67
Derivatives not designated as hedging instruments					
Foreign exchange contracts in an asset position	6.98	-	1.35	-	8.33
Foreign exchange contracts in an liability position	(1.35)	-	(3.12)	-	(4.47)
Net asset (liability)	5.63	-	(1.77)	-	3.86
Total derivatives at fair value	**47.35**	**13.11**	**(12.02)**	**(17.91)**	**30.53**

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	As at 1 July 2015				
	Financial assets		Financial liabilities		Total fair value
	Current	Non current	Current	Non current	
Derivatives designated as hedging instruments					
Foreign exchange contracts in an asset position	50.68	2.24	38.34	1.63	92.89
Foreign exchange contracts in an liability position	(38.34)	(1.63)	(50.84)	(39.37)	(130.18)
Net asset (liability)	12.34	0.61	(12.50)	(37.74)	(37.29)
Derivatives not designated as hedging instruments					
Foreign exchange contracts in an asset position	11.97	-	7.45	-	19.42
Foreign exchange contracts in an liability position	(7.45)	-	(10.15)	-	(17.60)
Net asset (liability)	4.52	-	(2.70)	-	1.82
Total derivatives at fair value	**16.86**	**0.61**	**(15.20)**	**(37.74)**	**(35.47)**

The following tables set forth the fair value of derivative instruments included in the balance sheets as at each date indicated:

	As at		
	31 March 2017	31 March 2016	1 July 2015
Derivatives designated as hedging instruments			
Unrealized gain on financial instruments classified under current assets	457.45	41.72	12.34
Unrealized gain on financial instruments classified under non-current assets	131.24	13.11	0.61
Unrealized loss on financial instruments classified under current liabilities	-	(10.25)	(12.50)
Unrealized loss on financial instruments classified under non-current liabilities	-	(17.91)	(37.74)
	588.69	26.67	(37.29)
Derivatives not designated as hedging instruments			
Unrealized gain on financial instruments classified under current assets	7.23	5.63	4.52
Unrealized loss on financial instruments classified under current liabilities	(31.42)	(1.77)	(2.70)
	(24.19)	3.86	1.82

Maturity profile of derivative liabilities based on contractual payments is as below:

	As at		
	31 March 2017	31 March 2016	1 July 2015
Within one year	31.42	12.02	15.20
One to two years	-	17.64	29.69
Two to three years	-	0.27	8.05
	31.42	29.93	52.94

The following table summarizes the activities in the statement of profit and loss:

	Year ended	
	31 March 2017	31 March 2016
Derivatives in hedging relationships		
Effective portion of gain or (loss) recognized in OCI on derivatives	676.54	30.32
Effective portion of gain or (loss) reclassified from OCI into statement of profit and loss as "revenue"	131.37	(30.05)
Ineffective portion of gain or (loss) reclassified from OCI into statement of profit and loss as "exchange difference"	-	-
Derivatives not in hedging relationships		
Gain or (loss) recognized into statement of profit and loss as "exchange differences"	11.43	50.76

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The following table summarizes the activity in the accumulated 'Other comprehensive income' within equity related to all derivatives classified as cash flow hedges:

	Year ended	
	31 March 2017	31 March 2016
(Loss) gain as at the beginning of the year	9.98	(50.39)
Unrealized gain on cash flow hedging derivatives during the year	676.54	30.32
Business combination	1.47	-
Net loss (gain) reclassified into net income on occurrence of hedged transactions	(131.37)	30.05
Gain as at the end of the year	556.62	9.98
Deferred tax	(111.45)	(1.89)
Cash flow hedging reserve	445.17	8.09

The estimated net amount of existing gain that is expected to be reclassified into the statement of profit and loss within the next twelve months is ₹ 435.05 crores (Previous year loss of ₹ 18.16 crores).

(b) Financial assets and liabilities

The carrying value of financial instruments by categories as at 31 March, 2017 is as follows:

	Fair value through profit and loss	Fair value through other comprehensive income	Amortized cost	Total carrying value
Financial assets				
Investments (other than in subsidiary)	914.14	-	-	914.14
Trade receivables	-	-	4,418.39	4,418.39
Cash and cash equivalents	-	-	352.00	352.00
Other bank balances	-	-	7,610.35	7,610.35
Loans	-	-	2,542.83	2,542.83
Others (refer note 3.6)	7.23	588.69	1,108.99	1,704.91
Total	**921.37**	**588.69**	**16,032.56**	**17,542.62**
Financial liabilities				
Borrowings	-	-	31.24	31.24
Trade payables	-	-	484.59	484.59
Others (refer note 3.14)	31.42	-	3,979.39	4,010.81
Total	**31.42**	**-**	**4,495.22**	**4,526.64**

The carrying value of financial instruments by categories as at 31 March, 2016 is as follows:

	Fair value through profit and loss	Fair value through other comprehensive income	Amortized cost	Total carrying value
Financial assets				
Investments (other than in subsidiary)	471.72	-	-	471.72
Trade receivables	-	-	4,084.53	4,084.53
Cash and cash equivalents	-	-	125.17	125.17
Other bank balances	-	-	8,537.79	8,537.79
Loans	-	-	2,029.37	2,029.37
Others (refer note 3.6)	5.63	54.83	1,669.72	1,730.18
Total	**477.35**	**54.83**	**16,446.58**	**16,978.76**
Financial liabilities				
Borrowings	-	-	28.19	28.19
Trade payables	-	-	453.92	453.92
Others (refer note 3.14)	1.77	28.16	2,566.80	2,596.73
Total	**1.77**	**28.16**	**3,048.91**	**3,078.84**

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The carrying value of financial instruments by categories as at 1 July, 2015 is as follows:

	Fair value through profit and loss	Fair value through other comprehensive income	Amortized cost	Total carrying value
Financial assets				
Investments (other than in subsidiary)	627.70	-	-	627.70
Trade receivables	-	-	3,578.28	3,578.28
Cash and cash equivalents	-	-	432.73	432.73
Other bank balances	-	-	8,396.68	8,396.68
Loans	-	-	1,208.20	1,208.20
Others (refer note 3.6)	4.52	12.95	1,456.66	1,474.13
Total	**632.22**	**12.95**	**15,072.55**	**15,717.72**
Financial liabilities				
Borrowings	-	-	27.22	27.22
Trade payables	-	-	468.58	468.58
Others (refer note 3.14)	2.70	50.24	2,940.92	2,993.86
Total	**2.70**	**50.24**	**3,436.72**	**3,489.66**

Fair value hierarchy

The assets and liabilities measured at fair value on a recurring basis as at 31 March, 2017 and the basis for that measurement is as below:

	Fair value	Level 1 inputs	Level 2 inputs	Level 3 inputs
Assets				
Investments carried at fair value through profit and loss	914.14	914.14	-	-
Unrealized gain on derivative financial instruments	595.92	-	595.92	-
Liabilities				
Unrealized loss on derivative financial instruments	31.42	-	31.42	-

There have been no transfers between Level 1 and Level 2 during the year

The following table discloses the assets and liabilities measured at fair value on a recurring basis as at 31 March, 2016 and the basis for that measurement:

	Fair value	Level 1 inputs	Level 2 inputs	Level 3 inputs
Assets				
Investments carried at fair value through profit and loss	471.72	471.72	-	-
Unrealized gain on derivative financial instruments	60.47	-	60.47	-
Liabilities				
Unrealized loss on derivative financial instruments	29.93	-	29.93	-

There have been no transfers between Level 1 and Level 2 during the year

The following table discloses the assets and liabilities measured at fair value on a recurring basis as at 1 July, 2015 and the basis for that measurement:

	Fair value	Level 1 inputs	Level 2 inputs	Level 3 inputs
Assets				
Investments carried at fair value through profit and loss	627.70	627.70	-	-
Unrealized gain on derivative financial instruments	17.47	-	17.47	-
Liabilities				
Unrealized loss on derivative financial instruments	52.94	-	52.94	-

There have been no transfers between Level 1 and Level 2 during the year

Valuation methodologies

Quoted market prices in active markets are available for investments in securities and, as such, these investments are classified within Level 1.

Investments: The Company's investments consist primarily of investment in debt linked mutual funds. Fair values of investment securities classified as fair value through profit and loss are determined using quoted prices for identical assets or liabilities in active markets and are classified as Level 1. Fair value of term deposits with banks and corporates is determined using observable markets' inputs and is classified as Level 2.

Derivative financial instruments: The Company's derivative financial instruments consist of foreign currency forward exchange contracts. Fair values for derivative financial instruments are based on broker quotations and are classified as Level 2.

The Company assessed that fair value of cash and short-term deposits, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

(c) Financial risk management

The Company is exposed to market risk, credit risk and liquidity risk which may impact the fair value of its financial instruments. The Company has a risk management policy to manage & mitigate these risks.

The Company's risk management policy aims to reduce volatility in financial statements while maintaining balance between providing predictability in the Company's business plan along with reasonable participation in market movement.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk and interest rate risk. The Company is primarily exposed to fluctuation in foreign currency exchange rates.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in exchange rates. The Company's exposure to the risk of changes in exchange rates relates primarily to the Company's operations and the Company's net investments in foreign branches.

The exchange rate risk primarily arises from assets and liabilities denominated in currencies other than the functional currency of the respective branches and foreign currency forecasted revenue and cash flows. A significant portion of the Company revenue is in US Dollar, Pound Sterling (GBP) and Euro while a large portion of costs are in Indian rupees. The fluctuation in exchange rates in respect to the Indian rupee may have potential impact on the statement of profit and loss and other comprehensive income and equity.

To mitigate the foreign currency risk the Company uses derivatives as governed by the Company's strategy, which provides principles on the use of such forward contracts and currency options consistent with the Company's Risk Management Policy.

Appreciation / depreciation of 1% in respective foreign currencies with respect to functional currency of the Company and its branches would result in decrease / increase in the Company's profit before tax by approximately ₹ 17.15 crores for the year ended 31 March, 2017.

The rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 1% against the respective functional currencies of the Company and its branches. The sensitivity analysis presented above may not be representative of the actual change.

Non-derivative foreign currency exposure as of 31 March, 2017 , 31 March 2016 and 1 July 2015 in major currencies is as below:

	Net financial assets			Net financial liabilities		
	31 March 2017	31 March 2016	1 July 2015	31 March 2017	31 March 2016	1 July 2015
USD / INR	3,278.09	1,907.25	2,158.75	2,214.77	600.71	648.93
GBP / INR	176.98	307.70	433.22	185.55	262.42	191.29
EURO / INR	371.81	233.19	501.34	110.76	100.59	84.42

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's investments are primarily in fixed rate interest bearing investments. Hence the Company is not significantly exposed to interest rate risk.

Credit risk

Financial instruments that potentially subject the Company to concentration of credit risk consist principally of cash and bank balances, inter-corporate deposits, trade receivables, unbilled revenue, finance lease receivables, investment securities and derivative instruments. The cash resources of the Company are invested with mutual funds, banks, financial institutions and corporations after an evaluation of the credit risk. By their nature, all such financial instruments involve risks, including the credit risk of non-performance by counterparties.

The customers of the Company are primarily corporations based in the United States of America and Europe and accordingly, trade receivables and finance lease receivables are concentrated in the respective countries. The Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivables.

The allowance for lifetime expected credit loss on customer balances is as below:

	As at	
	31 March 2017	31 March 2016
Balance at the beginning of the year	143.80	112.43
Additional provision during the year	88.91	47.15
Deductions on account of write offs and collections	(109.72)	-
Effect of exchange rates changes	(3.00)	(15.78)
Balance at the end of the year	119.99	143.80

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with financial liabilities. The investment philosophy of the Company is capital preservation and liquidity in preference to returns. The Company consistently generates sufficient cash flows from operations and has access to multiple sources of funding to meet the financial obligations and maintain adequate liquidity for use.

Notes to financial statements for the year ended 31 March 2017
(All amounts in crores of ₹, except share data and as stated otherwise)

Maturity profile of the Company's non-derivative long term financial liabilities based on contractual payments is as below:

	Year 1 (Current)	Year 2	Year 3	Year 4-5	Total
As at 31 March 2017					
Borrowings	13.63	11.53	10.85	8.86	44.87
Employee bonuses accrued	-	-	7.16	-	7.16
Total	**13.63**	**11.53**	**18.01**	**8.86**	**52.03**
As at 31 March 2016					
Borrowings	13.47	11.11	8.06	8.99	41.63
Employee bonuses accrued	-	52.00	-	5.56	57.56
Total	**13.47**	**63.11**	**8.06**	**14.55**	**99.19**
As at 1 July 2015					
Borrowings	13.41	11.68	8.19	7.35	40.63
Employee bonuses accrued	-	0.53	0.31	-	0.84
Total	**13.41**	**12.21**	**8.50**	**7.35**	**41.47**

3.30 Employee benefits

The Company has calculated the various benefits provided to employees as given below:

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	
	31 March 2017	31 March 2016
	(Twelve months)	(Nine months)
Superannuation Fund	2.56	1.23
Employer's contribution to Employees State Insurance	4.39	2.23
Employer's contribution to Employee's Pension Scheme	83.95	60.21
Total	**90.90**	**63.67**

B. Defined benefit plans

a) Gratuity
b) Employer's contribution to provident fund

Gratuity

The following table sets out the status of the gratuity plan :

Statement of profit and loss

	Year ended	
	31 March 2017	31 March 2016
	(Twelve months)	(Nine months)
Current Service cost	62.80	39.55
Interest cost (net)	19.32	16.47
Net benefit expense	**82.12**	**56.02**

Notes to financial statements for the year ended 31 March 2017
(All amounts in crores of ₹, except share data and as stated otherwise)

Balance Sheet

	As at		
	31 March 2017	**31 March 2016**	**1 July 2015**
Defined benefit obligations	343.15	267.70	245.36
Fair value of plan assets	15.91	-	-
	327.24	267.70	245.36
Less: Unrecognized past service cost	-	-	-
Net plan liability	**327.24**	**267.70**	**245.36**
Current defined benefit obligations	49.94	48.25	47.43
Non-current defined benefit obligations	277.30	219.45	197.93

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

	Year ended	
	31 March 2017	**31 March 2016**
	(Twelve months)	(Nine months)
Opening defined benefit obligations	267.70	245.36
Current service cost	62.80	39.55
Interest cost	20.40	16.47
Re-measurement gains (losses) in OCI		
Actuarial changes arising from changes in demographic assumptions	(0.02)	0.02
Actuarial changes arising from changes in financial assumptions	17.93	2.84
Experience adjustments	(11.69)	(14.30)
Business combinations	16.58	-
Benefits paid	(30.55)	(22.24)
Closing defined benefit obligations	**343.15**	**267.70**

Changes in fair value of the plan assets are as follows:

	Year ended	
	31 March 2017	**31 March 2016**
	(Twelve months)	(Nine months)
Opening fair value of plan assets	-	-
Business combinations	14.36	-
Interest income	1.08	-
Contributions	2.73	-
Re-measurement gains (losses) in OCI		
Return on plan assets, excluding amount recognized in interest income	(0.61)	-
Experience adjustments	-	-
Benefits paid	(1.65)	-
Closing fair value of plan assets	**15.91**	**-**

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 Company's plans are shown below:

	As at		
	31 March 2017	**31 March 2016**	**1 July 2015**
Discount rate	6.90%	7.85%	8.05%
Estimated Rate of salary increases	7.00%	7.00%	7.00%
Employee Turnover	23.00%	23.00%	23.00%
Expected rate of return on assets	6.90%	NA	NA

Notes to financial statements for the year ended 31 March 2017
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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.

Discount rate and future salary escalation rate are the key actuarial assumptions to which the defined benefit obligations are particularly sensitive. The following table summarizes the impact on defined benefit obligations as at 31 March 2017 arising due to an increase / decrease in key actuarial assumptions by 50 basis points:

	Discount rate	Salary escalation rate
Impact of increase	(9.81)	9.55
Impact of decrease	10.35	(9.20)

The sensitivity analysis presented may not be representative of the actual change in the defined benefit obligations as sensitivities have been calculated to show the movement in defined benefit obligations in isolation and assuming there are no other changes in market conditions. There have been no changes from the previous years in the methods and assumptions used in preparing the sensitivity analysis.

The defined benefit obligations are expected to mature after 31 March 2017 as follows:

Year ending 31 March ,	Cash flows
- 2018	58.10
- 2019	60.40
- 2020	69.66
- 2021	77.55
- 2022	82.29
- Thereafter	1,294.17

The weighted average duration of the payment of these cash flows is 6.16 years.

Employer's contribution to provident fund

The actuary has provided a valuation and based on the assumptions mentioned below, there is no shortfall as at 31 March 2017, 31 March 2016 and 1 July 2015.

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

	31 March 2017	31 March 2016	1 July 2015
Plan assets at the year end	2,409.77	2,078.42	1,845.71
Present value of benefit obligation at year end	2,409.77	2,078.42	1,845.71
Asset recognized in balance sheet	-	-	-

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

	31 March 2017	31 March 2016	1 July 2015
Government of India (GOI) bond yield	6.90%	7.85%	8.05%
Remaining term of maturity	8.61 years	8.43 years	7.83 years
Expected guaranteed interest rate	8.65%	8.75%	8.75%

During the year ended 31 March 2017, the Company has contributed ₹ 107.90 crores (previous year (nine months), ₹ 66.21 crores) towards employer's contribution to provident fund.

Notes to financial statements for the year ended 31 March 2017
(All amounts in crores of ₹, except share data and as stated otherwise)

3.31 Related party transactions

a) Related parties where control exists

List of subsidiaries as at 31 March 2017, 31 March 2016 and 1 July 2015 is as below:

S. No.	Name of the subsidiaries	Country of incorporation	Percentage holding as at		
			31 March 2017	31 March 2016	1 July 2015
Direct subsidiaries					
1	HCL Comnet Systems & Services Limited	India	100%	100%	100%
2	HCL Comnet Limited	India	100%	100%	100%
3	HCL Bermuda Limited	Bermuda	100%	100%	100%
4	HCL Technologies (Shanghai) Limited	China	100%	100%	100%
5	HCL Eagle Limited	India	92%	92%	92%
6	HCL Foundation $ (Company incorporated under Section 8 of the Companies Act, 2013)	India	100%	100%	100%
7	HCL Singapore Pte. Limited	Singapore	100%	100%	100%
8	HCL Training & Staffing Services Private Limited	India	100%	100%	-
9	Geometric Americas, Inc. #	USA	100%	-	-
10	Geometric Asia Pacific Pte. Ltd #	Singapore	100%	-	-
11	Geometric Europe GmbH #	Germany	100%	-	-
Step down subsidiaries of direct subsidiaries					
12	HCL Great Britain Limited	UK	100%	100%	100%
13	HCL (Netherlands) BV	Netherlands	100%	100%	100%
14	HCL Belgium NV	Belgium	100%	100%	100%
15	HCL Sweden AB	Sweden	100%	100%	100%
16	HCL GmbH	Germany	100%	100%	100%
17	HCL Italy SRL	Italy	100%	100%	100%
18	HCL Australia Services Pty. Limited	Australia	100%	100%	100%
19	HCL (New Zealand) Limited	New Zealand	100%	100%	100%
20	HCL Hong Kong SAR Limited	Hong Kong	100%	100%	100%
21	HCL Japan Limited	Japan	100%	100%	100%
22	HCL America Inc.	USA	100%	100%	100%
23	HCL Technologies Austria GmbH	Austria	100%	100%	100%
24	HCL Global Processing Services Limited	India	100%	100%	100%
25	HCL BPO Services (NI) Limited !	UK	-	100%	100%
26	HCL (Malaysia) Sdn. Bhd. !	Malaysia	-	100%	100%
27	HCL Technologies Solutions Limited	India	100%	100%	100%
28	HCL Poland Sp.z.o.o	Poland	100%	100%	100%
29	HCL EAS Limited	UK	100%	100%	100%
30	HCL Insurance BPO Services Limited	UK	100%	100%	100%
31	HCL Expense Management Services Inc.	USA	100%	100%	100%
32	Axon Group Limited	UK	100%	100%	100%
33	HCL Axon Technologies Inc.	Canada	100%	100%	100%
34	HCL Technologies Solutions GmbH	Switzerland	100%	100%	100%
35	Axon Solutions Pty. Limited	Australia	100%	100%	100%
36	Axon Solutions Inc.	USA	100%	100%	100%
37	Axon Solutions Limited	UK	100%	100%	100%
38	HCL Axon Malaysia Sdn. Bhd.	Malaysia	100%	100%	100%
39	Axon Solutions Singapore Pte. Limited	Singapore	100%	100%	100%
40	Axon Solutions (Shanghai) Co. Limited	China	100%	100%	100%
41	HCL Axon (Proprietary) Limited	South Africa	100%	100%	100%
42	HCL Argentina s.a.	Argentina	100%	100%	100%
43	HCL Mexico S. de R.L.	Mexico	100%	100%	100%
44	HCL Technologies Romania s.r.l.	Romania	100%	100%	100%

Notes to financial statements for the year ended 31 March 2017
(All amounts in crores of ₹, except share data and as stated otherwise)

S. No.	Name of the subsidiaries	Country of incorporation	Percentage holding as at		
			31 March 2017	31 March 2016	1 July 2015
45	HCL Hungary Kft	Hungary	100%	100%	100%
46	HCL Latin America Holding LLC	USA	100%	100%	100%
47	HCL (Brazil) Technologia da informacao Ltda.	Brazil	100%	100%	100%
48	HCL Technologies Denmark Apps	Denmark	100%	100%	100%
49	HCL Technologies Norway AS	Norway	100%	100%	100%
50	PT. HCL Technologies Indonesia Limited	Indonesia	100%	100%	100%
51	HCL Technologies Philippines Inc.	Philippines	100%	100%	100%
52	HCL Technologies South Africa (Proprietary) Limited	South Africa	100%	100%	100%
53	HCL Arabia LLC	Saudi Arabia	100%	100%	100%
54	HCL Technologies France	France	100%	100%	100%
55	Filial Espanola De HCL Technologies S.L	Spain	100%	100%	100%
56	Anzospan Investments Pty Limited	South Africa	100%	100%	100%
57	HCL Investments (UK) Limited	UK	100%	100%	100%
58	Statestreet HCL Holding UK Limited *	UK	100%	100%	100%
59	Statestreet HCL Services (Phillipines) Inc. *	Philippines	100%	100%	100%
60	Statestreet HCL Services (India) Private Limited *	India	100%	100%	100%
61	HCL America Solutions Inc.	USA	100%	100%	100%
62	HCL Technologies Chile Spa	Chile	100%	100%	100%
63	HCL Technologies UK Limited	UK	100%	100%	100%
64	HCL Technologies B.V.	Netherlands	100%	100%	100%
65	HCL (Ireland) Information Systems Limited	Ireland	100%	100%	100%
66	HCL Technologies Germany GmbH	Germany	100%	100%	100%
67	HCL Technologies Belgium N.V.	Belgium	100%	100%	100%
68	HCL Technologies Sweden AB	Sweden	100%	100%	100%
69	HCL Technologies Finland Oy	Finland	100%	100%	100%
70	HCL Technologies Italy S.P.A	Italy	100%	100%	100%
71	HCL Technologies Columbia S.A.S	Columbia	100%	100%	100%
72	HCL Technologies Middle East FZ-LLC	UAE	100%	100%	100%
73	HCL Istanbul Bilisim Teknolojileri Limited Sirketi	Turkey	100%	100%	100%
74	HCL Technologies Greece Single Member P.C	Greece	100%	100%	100%
75	HCL Technologies S.A.	Venezuela	100%	100%	100%
76	HCL Technologies Beijing Co., Ltd	China	100%	100%	100%
77	HCL Technologies Luxembourg S.a r.l	Luxembourg	100%	100%	100%
78	HCL-TEN Ventures, LLC	USA	-	-	100%
79	HCL Technologies Egypt Limited	Egypt	100%	100%	100%
80	HCL Technologies Estonia OÜ	Estonia	100%	100%	100%
81	HCL Technologies (Thailand) Ltd.	Thailand	100%	100%	100%
82	HCL Technologies Czech Republic s.r.o.	Czech Republic	100%	100%	-
83	HCL Joint Venture Holding Inc. !	USA	-	100%	-
84	HCL Muscat Technologies L.L.C.	Oman	100%	100%	-
85	CeleritiFintech Limited	UK	51%	51%	-
86	CeleritiFintech USA, Inc.	USA	51%	51%	-
87	CeleritiFintech Australia Pty Limited	Australia	51%	51%	-
88	CeleritiFintech Germany GmbH	Germany	51%	51%	-
89	CeleritiFintech Italy S.R.L.	Italy	51%	51%	-
90	Concept2Silicon Systems Private Limited	India	100%	100%	-
91	Powerteam, LLC	USA	100%	100%	-
92	Point to Point Limited	UK	100%	100%	-
93	Point to Point Products Limited	UK	100%	100%	-
94	HCL Technologies Lithuania UAB ^	Lithuania	100%	-	-
95	HCL Technologies (Taiwan) Ltd. ^	China	100%	-	-

Notes to financial statements for the year ended 31 March 2017
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S. No.	Name of the subsidiaries	Country of incorporation	Percentage holding as at		
			31 March 2017	31 March 2016	1 July 2015
96	Geometric China, Inc. #	China	100%	-	-
97	Geometric SRL #	Romania	100%	-	-
98	Geometric SAS #	France	100%	-	-
99	Butler America Aerospace LLC #	USA	100%	-	-

** The Company has equity interest of 49% and 100% dividend rights and control*
! Dissolved during the year
^ Incorporated during the year
 # Acquired during the year

Employee benefit trusts

Hindustan Instruments Limited Employees Provident Fund Trust
HCL Consulting Limited Employees Superannuation Scheme
HCL Comnet System and Services Limited Employees Provident Fund Trust.
HCL South Africa Share Ownership Trust
HCL Technologies Stock Options Trust

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

Key Management Personnel

Mr. Shiv Nadar – Chairman and Chief Strategy Officer
Mr. C. Vijayakumar – President and Chief Executive Officer (w.e.f. 20 October, 2016)
Mr. Anant Gupta – President and Chief Executive Officer (upto 20 October, 2016)
Mr. Anil Chanana – Chief Financial Officer
Mr. Manish Anand – Company Secretary

Non-Executive & Independent Directors

Mr. Amal Ganguli
Mr. Keki Mistry
Mr. Ramanathan Srinivasan
Ms. Robin Ann Abrams
Dr. Sosale Shankara Sastry
Mr. Subramanian Madhavan
Mr. Thomas Sieber
Ms. Nishi Vasudeva (appointed w.e.f. 1 August 2016)

Non-Executive & Non-Independent Directors

Ms. Roshni Nadar Malhotra
Mr. Sudhindar Krishan Khanna

Others (Significant influence)

HCL Infosystems Limited
HCL Avitas Private Limited
Vama Sundari Investments (Delhi) Private Limited
HCL Corporation Private Limited
SSN Investments (Pondi) Private Limited
Naksha Enterprises Private Limited
HCL Services Limited
HCL TalentCare Pvt. Ltd.
HCL Learning Limited
HCL IT City Lucknow Private Limited
HCL Infotech Limited
Shiv Nadar Foundation
HCL Holding Private Limited

Notes to financial statements for the year ended 31 March 2017
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c) Transactions with related parties during the year

	Revenues		Other expenses[1]		Interest expense		Dividend paid	
	Year ended		Year ended		Year ended		Year ended	
	31 Mar 2017 (Twelve months)	31 Mar 2016 (Nine months)	31 Mar 2017 (Twelve months)	31 Mar 2016 (Nine months)	31 Mar 2017 (Twelve months)	31 Mar 2016 (Nine months)	31 Mar 2017 (Twelve months)	31 Mar 2016 (Nine months)
Subsidiaries								
HCL America Inc.	7,253.51	4,854.17	607.58	508.64	22.97	-	-	-
HCL Great Britain Limited	461.55	548.75	73.31	137.04	-	-	-	-
HCL Australia Services Pty. Ltd.	370.93	221.57	19.14	3.70	-	-	-	-
HCL Technologies UK Limited	297.81	299.03	108.34	67.45	-	-	-	-
HCL (Ireland) Information Systems Limited	5.89	0.44	163.09	78.70	-	-	-	-
Others	3,119.97	1,809.77	594.84	442.80	-	-	-	-
Total (A)	**11,509.66**	**7,733.73**	**1,566.30**	**1,238.33**	**22.97**	**-**	**-**	**-**
Significant influence								
HCL Infosystems Limited.	2.55	3.01	23.17	6.09	-	-	-	-
Vama Sundari Investments (Delhi) Pvt. Limited	-	-	-	-	-	-	1,440.23	960.16
HCL Services Limited	-	-	8.84	7.75	-	-	-	-
HCL Holding Private Limited	-	-	-	-	-	-	573.83	382.56
SSN Investments (Pondi) Private Limited	-	-	14.46	-	-	-	-	-
HCL Training and Staffing Services Pvt. Limited	-	-	-	7.49	-	-	-	-
Others	2.51	3.19	14.29	3.13	-	-	-	-
Total (B)	**5.06**	**6.20**	**60.76**	**24.46**	**-**	**-**	**2,014.06**	**1,342.72**
Grand Total (A+B)	**11,514.72**	**7,739.93**	**1,627.06**	**1,262.79**	**22.97**	**-**	**2,014.06**	**1,342.72**

	Corporate guarantee fees		Other income		Dividend income		Investments[2]	
	Year ended		Year ended		Year ended		Year ended	
	31 Mar 2017 (Twelve months)	31 Mar 2016 (Nine months)	31 Mar 2017 (Twelve months)	31 Mar 2016 (Nine months)	31 Mar 2017 (Twelve months)	31 Mar 2016 (Nine months)	31 Mar 2017 (Twelve months)	31 Mar 2016 (Nine months)
Subsidiaries								
HCL America Inc.	0.75	0.56	-	-	-	-	-	-
HCL Singapore Pte. Limited	0.23	-	-	-	25.73	61.64	-	-
HCL GmbH	-	-	-	-	0.19	-	-	-
HCL Training and Staffing Services Private Limited	-	-	-	-	-	-	-	2.35
Geometric Americas Inc.	0.94	-	14.59	-	-	-	-	-
Geometric Europe, GmbH	0.06	-	1.93	-	-	-	86.24	-
Others	-	0.17	0.88		-	-	-	-
Total	**1.98**	**0.73**	**17.40**	**-**	**25.92**	**61.64**	**86.24**	**2.35**

Notes to financial statements for the year ended 31 March 2017
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	Payment for use of facilities		Receipt for use of facilities		Purchase of capital equipments	
	Year ended		Year ended		Year ended	
	31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016
	(Twelve months)	(Nine months)	(Twelve months)	(Nine months)	(Twelve months)	(Nine months)
Subsidiaries						
HCL Eagle Limited	-	-	0.41	2.36	-	-
HCL Training and Staffing Services Private Limited	-	-	2.90	0.24	-	0.06
HCL Comnet Systems and Services Limited	-	0.32	0.21	-	-	-
Total (A)	**-**	**0.32**	**3.52**	**2.60**	**-**	**0.06**
Significant influence						
HCL Infosystems Limited	-	1.33	-	-	0.67	2.05
SSN Investments (Pondi) Pvt. Ltd.	-	9.96	-	-	-	-
HCL Infotech Limited	-	-	-	-	0.11	-
HCL Services Limited	-	-	-	-	0.27	-
HCL Insys Pte Ltd.	-	-	-	-	-	0.12
Others	-	-	-	-	-	0.82
Total (B)	**-**	**11.29**	**-**	**-**	**1.05**	**2.99**
Grand Total (A+B)	**-**	**11.61**	**3.52**	**2.60**	**1.05**	**3.05**

	Loan extended		Proceeds from loan extended	
	Year ended		Year ended	
	31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016
	(Twelve months)	(Nine months)	(Twelve months)	(Nine months)
Subsidiaries				
Geometric Europe, GmbH	-	-	22.05	-
HCL Comnet Systems and Services Limited	10.00	-	10.00	-
Total	**10.00**	**-**	**32.05**	**-**

Notes:

1. Other expenses include outsourcing cost and software license fees.
2. During the year ended 31 March 2016, the Company has paid ₹ 2.35 crores to Vama Sundari Investments (Delhi) Private Limited for acquisition of the entire equity share capital of HCL Training and Staffing Services Private Limited.

Transactions with Key Managerial Personnel during the year	Year ended	
	31 Mar 2017	31 Mar 2016
	(Twelve months)	(Nine months)
Compensation		
- Short-term employee benefits from company	23.25	51.27
- Short-term employee benefits from subsidiaries	13.87	4.73
Loan outstanding at end of the year	-	15.00
Interest received by company on loan provided	0.70	1.25
Share-based payment		
- Exercised - No's (options)	2,860.00	30,900.00
- Exercise price - ₹	16.00	16.00
Dividend paid	0.98	0.60

Notes to financial statements for the year ended 31 March 2017
(All amounts in crores of ₹, except share data and as stated otherwise)

Transactions with Directors during the year	Year ended	
	31 Mar 2017	31 Mar 2016
	(Twelve months)	(Nine months)
Commission & other benefits to directors (includes sitting fees)	7.55	5.28

d) Outstanding balances with related parties

	Trade receivables			Trade payables			Revenue received in advance		
	As at			As at			As at		
	31 Mar 2017	31 Mar 2016	1 July 2015	31 Mar 2017	31 Mar 2016	1 July 2015	31 Mar 2017	31 Mar 2016	1 July 2015
Subsidiaries									
HCL America Inc.	1,625.47	1,075.38	851.76	112.44	87.95	126.42	137.71	160.04	185.10
HCL Great Britain Limited	54.74	101.89	143.78	23.40	25.14	51.53	74.54	38.99	85.59
HCL Technologies France	85.57	84.51	157.17	3.17	1.05	2.91	37.03	0.14	-
Others	1,008.73	1,114.80	747.70	241.62	186.79	106.01	149.73	76.73	60.18
Total (A)	**2,774.51**	**2,376.58**	**1,900.41**	**380.63**	**300.93**	**286.87**	**399.01**	**275.90**	**330.87**
Significant influence									
HCL Infosystems Limited.	4.81	13.00	3.59	0.03	0.05	0.27	1.78	19.85	1.60
HCL Infotech Limited	-	-	146.94	-	-	0.34	17.88	-	17.88
Others	1.21	1.00	0.74	0.49	1.10	0.16	0.93	-	0.09
Total (B)	**6.02**	**14.00**	**151.27**	**0.52**	**1.15**	**0.77**	**20.59**	**19.85**	**19.57**
Grand Total (A+B)	**2,780.53**	**2,390.58**	**2,051.68**	**381.15**	**302.08**	**287.64**	**419.60**	**295.75**	**350.44**

	Capital accounts payables (including supplier credit)			Guarantee outstanding			Liabilities for expense		
	As at			As at			As at		
	31 Mar 2017	31 Mar 2016	1 July 2015	31 Mar 2017	31 Mar 2016	1 July 2015	31 Mar 2017	31 Mar 2016	1 July 2015
Subsidiaries									
HCL America Inc.	-	-	-	129.76	188.21	180.78	188.60	214.39	235.13
HCL Great Britain Limited	-	-	-	-	-	-	39.98	85.24	63.97
HCL Bermuda Limited	-	-	-	80.85	95.53	100.05	-	-	-
HCL Insurance BPO Services Ltd.	-	-	-	339.57	401.21	420.21	-	-	-
Axon Solutions Limited	-	-	-	-	-	-	104.98	123.71	92.02
HCL Australia Services Pty. Ltd.	-	-	-	-	-	-	67.50	31.84	6.49
Others	-	-	-	75.26	30.48	29.28	189.13	123.02	89.94
Total (A)	**-**	**-**	**-**	**625.44**	**715.43**	**730.32**	**590.19**	**578.20**	**487.55**
Significant influence									
HCL Infosystems Limited.	0.13	3.60	6.62	-	-	-	0.60	0.35	0.56
HCL Infotech Limited	-	-	0.21	-	-	-	-	-	-
HCL TalentCare Pvt. Ltd.	-	-	-	-	-	-	-	1.51	4.59
Others	-	0.01	0.04	-	-	-	2.98	0.32	1.24
Total (B)	**0.13**	**3.61**	**6.87**	**-**	**-**	**-**	**3.58**	**2.18**	**6.39**
Grand Total (A+B)	**0.13**	**3.61**	**6.87**	**625.44**	**715.43**	**730.32**	**593.77**	**580.38**	**493.94**

Notes to financial statements for the year ended 31 March 2017
(All amounts in crores of ₹, except share data and as stated otherwise)

d) Outstanding balances with related parties

	Supplier credit			Other assets			Unbilled revenue		
	As at			As at			As at		
	31 Mar 2017	31 Mar 2016	1 July 2015	31 Mar 2017	31 Mar 2016	1 July 2015	31 Mar 2017	31 Mar 2016	1 July 2015
Subsidiaries									
HCL America Inc.	-	-	-	15.74	22.05	15.60	253.92	547.82	334.71
HCL Great Britain Limited	-	-	-	1.31	3.96	4.42	34.03	112.18	75.56
HCL Gmbh	-	-	-	1.52	9.85	10.17	24.13	9.92	0.88
HCL Technologies UK Limited	-	-	-	0.70	17.22	-	20.19	55.96	46.40
HCL Technologies Germany GmbH	-	-	-	9.75	1.25	-	0.64	0.09	-
HCL Axon Malaysia Sdn Bhd-Software Division	-	-	-	5.77	0.22	0.11	0.67	1.33	2.51
Others	-	-	-	23.21	24.07	24.86	127.64	207.34	113.07
Total (A)	**-**	**-**	**-**	**58.00**	**78.62**	**55.16**	**461.22**	**934.64**	**573.13**
Significant influence									
HCL Infosystems Limited.	14.12	5.80	5.71	1.83	4.01	2.96	0.64	1.76	9.06
Easy Access Financial Services Limited	-	-	-	6.03	-	-	-	-	-
SSN Investments (Pondi) Pvt. Limited	-			3.52	-	1.38	-	-	-
Others	4.35	7.37	3.83	3.10	3.02	0.83	0.03	0.06	4.72
Total (B)	**18.47**	**13.17**	**9.54**	**14.48**	**7.03**	**5.17**	**0.67**	**1.82**	**13.78**
Grand Total (A+B)	**18.47**	**13.17**	**9.54**	**72.48**	**85.65**	**60.33**	**461.89**	**936.46**	**586.91**

	Advance received from cutomers			Unsecured loans[1]		
	As at			As at		
	31 Mar 2017	31 Mar 2016	1 July 2015	31 Mar 2017	31 Mar 2016	1 July 2015
Subsidiaries						
Geometric Europe, GmbH	-	-	-	25.23	-	-
Total (A)	**-**	**-**	**-**	**25.23**	**-**	**-**
Significant influence						
HCL Infosystems Limited	-	2.41	2.41	-	-	-
HCL Corporation Private Limited	0.15	-	-	-	-	-
Total (B)	**0.15**	**2.41**	**2.41**	**-**	**-**	**-**
Grand Total (A+B)	**0.15**	**2.41**	**2.41**	**25.23**	**-**	**-**

Note:

1. Loan outstanding with Geometric Europe, GmbH is given for working capital management which is repayable on demand. During the current year, the subsidiary has repaid the loan amounting to ₹ 22.05 crores.

3.32 Research and development expenditure

	Year ended	
	31 March 2017	31 March 2016
	(Twelve months)	(Nine months)
Revenue	114.89	102.62
Capital	-	-
	114.89	**102.62**

3.33 Commitments and contingent liabilities

		As at		
		31 March 2017	**31 March 2016**	**1 July 2015**
i)	**Capital and other commitments**			
	Capital commitments			
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) [includes related party ₹ 3.50 crores (31 March 2016, ₹ 0.98 crores, 1 July 2015, ₹ 5.37 crores)]	406.71	259.28	491.29
ii)	**Contingent liabilities**			
	Others	0.63	0.63	0.63
		407.34	**259.91**	**491.92**

The Company is involved in various lawsuits, claims and proceedings that arise in the ordinary course of business, the outcome of which is inherently uncertain. Some of these matters include speculative and frivolous claims for substantial or indeterminate amounts of damages. The Company records a liability when it is both probable that a loss has been incurred and the amount can be reasonably estimated. Significant judgment is required to determine both probability and the estimated amount. The Company reviews these provisions at least quarterly and adjusts these provisions accordingly to reflect the impact of negotiations, settlements, rulings, advice of legal counsel, and updated information. The Company believes that the amount or estimable range of reasonably possible loss, will not, either individually or in the aggregate, have a material adverse effect on its business, financial position, results of the Company, or cash flows with respect to loss contingencies for legal and other contingencies as at 31 March, 2017.

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 ₹ 625.44 crores (Previous year ₹ 715.43 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.

The Company is required to comply with the transfer pricing regulations, which are contemporaneous in nature. The Company appoints independent consultant annually for conducting transfer pricing studies to determine whether transactions with associate enterprises undertaken during the financial year, are on an arm's length basis. Adjustments, if any, arising from the transfer pricing studies will be accounted for when the study is completed for the current financial year. The management is of the opinion that its transactions with associates are at arm's length so that the outcome of the studies to corroborate compliance with legislation will not have any material adverse impact on the financial statements.

3.34 Payment to auditors

	Year ended	
	31 March 2017	**31 March 2016**
	(Twelve months)	(Nine months)
Audit fees	3.89	3.84
Other services	0.19	0.19
Reimbursement of expenses	0.30	0.25
	4.38	**4.28**

Notes to financial statements for the year ended 31 March 2017
(All amounts in crores of ₹, except share data and as stated otherwise)

3.35 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 31 March 2017		For the year ended 31 March 2016	
	Principal	Interest	Principal	Interest
Amount due to vendors	0.66	0.07	0.49	0.01
Principal amount paid beyond the appointed date	-	-	-	-
Interest under normal credit terms -				
Accrued and unpaid during the year	-	-	-	-
Total interest payable -				
Accrued and unpaid during the year	-	0.07	-	0.01

This has been determined on the basis of responses received from vendors on specific confirmation sought by the Company.

3.36 Corporate social responsibility

As required by the Companies Act, 2013, the gross amount required to be spent by the Company on CSR activities is ₹ 129.16 crores (previous year ₹ 122.13 crores) and the amount spent during the year is ₹ 40.12 crores (previous year ₹ 13.04 crores).

3.37 Disclosure on Specified Bank Notes

During the period from 8 November, 2016 to 30 December, 2016, the company held and transacted in Specified Bank Notes (SBN) or other denomination note as defined in the MCA notification G.S.R. 308(E) dated 30 March, 2017. The detail of same is as below in absolute rupees (₹).

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	21,500	1,351	22,851
(+) Permitted receipts	-	100,000	100,000
(-) Permitted payments	-	(95,599)	(95,599)
(-) Amount deposited in Banks	(21,500)	(5,752)	(27,252)
Closing cash in hand as on 30.12.2016	-	-	-

4. First-time adoption of Ind AS

The adoption of Ind AS was carried out in accordance with Ind AS 101, using 1 July, 2015 as the transition date. Ind AS 101 requires that all Ind AS standards that are effective for the first Ind AS Financial Statements be applied consistently and retrospectively for all periods presented. The resulting difference between the carrying amounts of the assets and liabilities in the financial statements under Ind AS and Previous GAAP as at the transition date are recognized directly in equity.

In preparing these financial statements, the Company has availed of certain exemptions and exceptions in accordance with Ind AS 101 as explained below:

Notes to financial statements for the year ended 31 March 2017
(All amounts in crores of ₹, except share data and as stated otherwise)

I. **Exemptions from retrospective application:**

Following are the optional exemptions which the Company has opted to apply / not to apply:

i. **Cumulative translation differences exemption -** The Company had accumulated foreign exchange translation gains and losses on branches in a separate component of equity under Previous GAAP. Upon transition to Ind AS, the treatment of recording translation differences on branches in equity did not undergo any change and consequently the optional exemption of setting cumulative translation reserve to zero as at transition date was not required to be applied.

ii. **Share-based payment transaction exemption –** Ind AS 102 Share-based Payment has not been applied to equity instruments in share-based payment transactions that vested before the transition date.

iii. **Changes in decommissioning liabilities included in the cost of property, plant and equipment exemption -** The Company does not have material decommissioning, restoration and similar liabilities in the cost of property, plant and equipment and hence the exemption is not applicable.

II. **Exceptions from full retrospective application**

i. **Estimates exception -** Upon review of the estimates made under Previous GAAP, the Company concluded that there was no necessity to revise the estimates under Ind AS except where estimates were required by Ind AS and not required by Previous GAAP.

ii. **Derecognition of financial assets and liabilities exception -** Financial assets and liabilities derecognized in accordance with Previous GAAP are not re-recognized under Ind AS. The Company has chosen not to apply the Ind AS 109 derecognition criteria to an earlier date. No arrangements were identified that had to be assessed under this exception.

iii. **Hedge accounting exception –** The Company had followed hedge accounting under Previous GAAP which is aligned to Ind AS. Accordingly, this exception of not reflecting in its opening Ind AS balance sheet a hedging relationship of a type that does not qualify for hedge accounting under Ind AS 109, is not applicable to the Company.

III. **Reconciliations:**

The following reconciliations provide a quantification of the effect of the transition to Ind AS from Previous GAAP in accordance with Ind AS 101:

- Equity as at 1 July, 2015 (Transition date)
- Equity as at 31 March, 2016
- Statement of profit and loss for the year ended 31 March, 2016

Notes to financial statements for the year ended 31 March 2017
(All amounts in crores of ₹, except share data and as stated otherwise)

Reconciliation of equity as at 1 July 2015

		Note No.	Indian GAAP (Reported)	Effect of Transition	Ind AS
I.	**ASSETS**				
	(1) Non-current assets				
	(a) Property, plant and equipment	e	3,024.98	(258.05)	2,766.93
	(b) Capital work in progress		543.95	-	543.95
	(c) Goodwill		-	-	-
	(d) Other intangible assets		39.25	-	39.25
	(e) Financial assets				
	(i) Investments		3,500.23	-	3,500.23
	(ii) Loans		15.01	-	15.01
	(iii) Others	a	242.14	(66.39)	175.75
	(f) Deferred tax assets (net)	b	987.56	(1.03)	986.53
	(g) Other non-current assets	a,e	387.66	307.96	695.62
	(2) Current assets				
	(a) Inventories		83.65	-	83.65
	(b) Financial assets				
	(i) Investments	b	624.73	2.97	627.70
	(ii) Trade receivables		3,578.28	-	3,578.28
	(iii) Cash and cash equivalents		432.73	-	432.73
	(iv) Other bank balances		8,396.68	-	8,396.68
	(v) Loans		1,193.19	-	1,193.19
	(vi) Others		1,298.37	-	1,298.37
	(c) Other current assets	a,e	566.65	6.43	573.08
	TOTAL ASSETS		**24,915.06**	**(8.11)**	**24,906.95**
II.	**EQUITY**				
	(1) Share Capital				
	(a) Equity share capital		281.20	-	281.20
	(b) Other equity	a,b	19,124.55	(8.11)	19,116.44
III.	**LIABILITIES**				
	(1) Non - current liabilities				
	(a) Financial liabilities				
	(i) Borrowings		27.22	-	27.22
	(ii) Others		38.58	-	38.58
	(b) Provisions	f	197.93	106.52	304.45
	(c) Other non-current liabilities		245.20	-	245.20
	(2) Current liabilities				
	(a) Financial liabilities				
	(i) Borrowings		-	-	-
	(ii) Trade payables		468.58	-	468.58
	(iii) Others		2,955.28	-	2,955.28
	(b) Other current liabilities		690.63	-	690.63
	(c) Provisions	f	206.53	(106.52)	100.01
	(d) Current tax liabilities (net)		679.36	-	679.36
	TOTAL EQUITY AND LIABILITIES		**24,915.06**	**(8.11)**	**24,906.95**

Notes to financial statements for the year ended 31 March 2017
(All amounts in crores of ₹, except share data and as stated otherwise)

Reconciliation of equity as at 31 March 2016

		Note No.	Indian GAAP (Reported)	Effect of Transition	Ind AS
I.	**ASSETS**				
	(1) Non-current assets				
	(a) Property, plant and equipment	e	3,020.41	(257.51)	2,762.90
	(b) Capital work in progress		582.12	-	582.12
	(c) Goodwill		18.16	-	18.16
	(d) Other intangible assets		35.18	-	35.18
	(e) Financial assets				
	(i) Investments		3,502.58	-	3,502.58
	(ii) Loans		15.00	-	15.00
	(iii) Others	a	184.09	(64.07)	120.02
	(f) Deferred tax assets (net)	b,c	1,182.35	(2.63)	1,179.72
	(g) Other non-current assets	a,e	436.92	295.26	732.18
	(2) Current assets				
	(a) Inventories		128.56	-	128.56
	(b) Financial assets				
	(i) Investments	b	470.86	0.86	471.72
	(ii) Trade receivables		4,084.53	-	4,084.53
	(iii) Cash and cash equivalents		125.17	-	125.17
	(iv) Other bank balances		8,537.79	-	8,537.79
	(v) Loans		2,014.37	-	2,014.37
	(vi) Others		1,610.16	-	1,610.16
	(c) Other current assets	a,e	652.13	15.75	667.88
	TOTAL ASSETS		**26,600.38**	**(12.34)**	**26,588.04**
II.	**EQUITY**				
	(a) Equity share capital		282.08	-	282.08
	(b) Other equity	a,b,c	21,226.83	(12.34)	21,214.49
III.	**LIABILITIES**				
	(1) Non - current liabilities				
	(a) Financial liabilities				
	(i) Borrowings		28.16	-	28.16
	(ii) Others		75.47	-	75.47
	(b) Provisions	f	219.45	124.63	344.08
	(c) Other non-current liabilities		130.77	-	130.77
	(2) Current liabilities				
	(a) Financial liabilities				
	(i) Borrowings		0.03	-	0.03
	(ii) Trade payables		453.92	-	453.92
	(iii) Others		2,521.26	-	2,521.26
	(b) Other current liabilities		765.61	-	765.61
	(c) Provisions	f	220.97	(124.63)	96.34
	(d) Current tax liabilities (net)		675.83	-	675.83
	TOTAL EQUITY AND LIABILITIES		**26,600.38**	**(12.34)**	**26,588.04**

Notes to financial statements for the year ended 31 March 2017
(All amounts in crores of ₹, except share data and as stated otherwise)

Reconciliation of Profit and Loss for the year ended 31 March 2016

		Note No.	Indian GAAP (Reported)	Effect of Transition	Ind AS
I	**Revenue**				
	Revenue from operations	g	13,433.35	1.29	13,434.64
	Other income	a,b,h	968.76	(0.34)	968.42
	Total income		**14,402.11**	**0.95**	**14,403.06**
II	**Expenses**				
	Purchase of stock-in-trade		162.66	-	162.66
	Changes in inventories of stock-in-trade		(46.79)	-	(46.79)
	Employee benefits expense	c,d	4,854.22	12.70	4,866.92
	Finance costs		45.82	-	45.82
	Depreciation and amortization expense	e	279.15	(2.26)	276.89
	Outsourcing costs	g	1,643.14	1.29	1,644.43
	Other expenses	a,e,h	1,696.30	(24.72)	1,671.58
	Total expenses		**8,634.50**	**(12.99)**	**8,621.51**
III	**Profit before tax**		**5,767.61**	**13.94**	**5,781.55**
IV	**Tax expense**				
	Current tax	h	1,240.33	29.27	1,269.60
	Deferred tax charge (credit)	b	(206.40)	(0.73)	(207.13)
	Total tax expense		1,033.93	28.54	1,062.47
V	**Profit for the year**		**4,733.68**	**(14.60)**	**4,719.08**
VI	**Other comprehensive income**				
(A)	(i) Items that will not be reclassified to statement of profit and loss	c	-	11.30	11.30
	(ii) Income tax on items that will not be reclassified to statement of profit and loss	c	-	(2.33)	(2.33)
(B)	(i) Items that will be reclassified subsequently to statement of profit and loss		-	-	-
	(ii) Income tax on items that will be reclassified to statement of profit and loss		-	-	70.25
VII	**Total other comprehensive income**		**-**	**8.97**	**79.22**
VIII	**Total comprehensive income for the year**		**4,733.68**	**(5.63)**	**4,798.30**

Footnotes to the reconciliation of equity as at 1 July 2015 and 31 March 2016 and the statement of profit and loss for the year ended 31 March 2016 are as follows:

a. Leasehold deposits

Under Ind AS, long term lease deposits are required to be initially measured at fair value and subsequently at amortized cost using the effective interest method. Accordingly, fair value adjustment of ₹ 66.39 crores (1 July 2015) and ₹ 64.07 crores (31March 2016) on security deposits has been recognized against increase in prepaid assets of ₹ 56.34 crores (1 July 2015) and ₹ 53.50 crores (31 March 2016) and decrease in retained earnings of ₹ 10.05 crores

(1 July 2015) and ₹ 10.57 crores (31 March 2016). Additionally, for the year ended 31 March 2016, interest income on deposit of ₹ 3.56 crores and rent expense of ₹ 4.08 crores is recognized in the statement of profit and loss. No such accounting was prescribed under Previous GAAP.

b. Fair value through profit and loss financial assets

Under Previous GAAP, the Company accounted for investments in mutual funds as investment measured at the lower of cost and fair value. Under Ind AS, the company has measured these investments at fair value through profit and loss. Accordingly, difference of ₹ 2.97 crores as at the transition date and difference of ₹ 0.86 crores as at 31 March 2016 between the instruments' fair value under Ind AS and Previous GAAP carrying amount has been identified and recognized through statement of profit and loss (after netting of related deferred taxes of ₹ 1.03 crores as at transition date and ₹ 0.30 crore as at 31 March 2016) for ₹ 2.11 crores.

c. Defined benefit obligations

Both under Previous GAAP and Ind AS, the Company recognized costs related to its post-employment defined benefit plan on an actuarial basis. Under Previous GAAP, the entire cost, including actuarial gains and losses, are charged to the statement of profit and loss. Under Ind AS, re-measurements [comprising of actuarial gains and losses] are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus the employee benefit cost for the year ended 31 March 2016 has increased by ₹ 11.30 crores and re-measurement gain / loss on defined benefit plan net of related deferred taxes of ₹ 2.33 crores has been recognized in the retained earnings.

d. Share-based payments

Under Previous GAAP, the Company recognized the intrinsic value of the share options as expense over the vesting period. Ind AS requires the fair value of the share options to be determined using an appropriate pricing model and to be recognized as expense over the vesting period. Accordingly, additional expense of ₹ 1.40 crores has been recognized in the statement of profit and loss for the difference between the fair value and intrinsic value for the year ended 31 March 2016.

Fair value adjustment of ₹ 8.01 crores on share options which were granted before and unvested as at the transition date have also been recognized as a benefit in retained earnings with the corresponding decrease in share based payment reserve.

e. Leasehold land

Leasehold land was not classified as lease arrangement on account of specific exclusion under Previous GAAP. However, as per Ind AS 17 it is accounted for as operating lease as the arrangement does not satisfy the conditions for classification as finance lease. Accordingly, written down value of leasehold land as at transition date of ₹ 258.05 crores and 31 March 2016 of ₹ 257.53 crores has been reclassified from property, plant and equipments to prepaid expenses and similarly capital advance of ₹ 85.75 crores paid towards purchase of leasehold land has been reclassified from capital advances to advances to suppliers. This change also has a reclassification impact of ₹ 2.26 crores on the statement of profit and loss for the year ended 31 March 2016 from depreciation to rent expense.

f. Classification of provision for employee leave benefit

Under Previous GAAP, where the employee had unconditional right to avail accumulated leave, the same was classified as "current" even though it is measured as non-current under the prescribed guidance. Under Ind AS, provision for employee leave benefit is measured under the prescribed guidance as determined by a qualified actuary. Accordingly, non-current provision for leave benefits of ₹ 106.52 crores and ₹ 124.63 crores as on 1 July 2015 and 31 March 2016 respectively has been reclassified as non-current provision for leave benefits.

g. Revenue recognition

In instances when revenue is derived from sales of third-party vendor services, material or licenses, revenue is recorded on a gross basis when the Company is a principal to the transaction and net of costs when the Company is acting as an agent between the customer and the vendor. Several factors are considered to determine whether the Company is a principal or an agent, most notably whether the Company is the primary obligor to the customer, has established its own pricing, and has inventory and credit risks.

Under Previous GAAP, the Company recognized the reimbursement of out-of-pocket expenses net of corresponding revenue. However, under Ind AS, Revenue includes reimbursement of out-of-pocket expenses, with the corresponding out-of-pocket expenses included in cost of revenues in the statement of profit and loss. Accordingly, this change has resulted in increase in “revenue from operations” and “outsourcing costs” by ₹ 1.29 crores with net NIL impact in the statement of profit and loss.

h. Interest to / from the taxing authority

Under Previous GAAP, interest and penalties levied under income tax legislations were treated as expense in arriving at profit before tax and was presented under Other Expenses. Under Ind AS, the Company under Ind AS has adopted the accounting policy of treating the same as part of “Tax Expense”. Accordingly, this change has resulted in decrease in “Other Expenses” by ₹ 31.06 crores with corresponding increase in “Current Tax” with net NIL impact in the statement of profit and loss.

i. Statement of cash flows

The transition from Previous GAAP to Ind AS has not had a material impact on the statement of cash flows.

5. Segment Reporting

As per Ind AS 108 ‘Operating Segments’, the Company has disclosed the segment information only as part of the consolidated financial results.

6. Previous year comparatives

The previous financial year of the Company was for nine months from 1 July 2015 to 31 March 2016. The figures for the current financial year are therefore not comparable with those of the previous year.

As per our report of even date

FOR S. R. BATLIBOI & CO. LLP
ICAI Firm Registration Number : 301003E / E300005
Chartered Accountants

per Tridibes Basu
Partner
Membership Number: 17401

Gurgaon, India
11 May, 2017

For and on behalf of the Board of Directors
of HCL Technologies Limited

Shiv Nadar
Chairman and Chief Strategy Officer

Keki Mistry
Director

C. Vijayakumar
President and Chief Executive Officer

Anil Chanana
Chief Financial Officer

Prahlad Rai Bansal
Deputy Chief Financial Officer

Manish Anand
Company Secretary

Noida (UP), India
11 May, 2017

Consolidated Financial Statements

INDEPENDENT AUDITOR'S REPORT

To the Members of HCL Technologies Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of HCL Technologies Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate, comprising of the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 the Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associate and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. 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 consolidated financial statements. The procedures selected depend on the auditor's judgment, 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 financial control relevant to the Holding Company's preparation of the consolidated Ind AS 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 the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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 of the consolidated state of affairs of the Group and its associate as at March 31, 2017, their consolidated profit including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Indian Accounting Standard) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and on the basis of written representations received from directors of its subsidiaries incorporated in India, we report, that except for one director (since deceased) for whom the written representation is not available with the Holding Company, none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies incorporated in India, refer to our separate report in "Annexure" to this report;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associate in consolidated Ind AS financial statements;

ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as it relates to the Group and its associate and the Group's share of net profit in respect of its associate;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended March 31, 2017.

iv. The Holding Company and its subsidiaries incorporated in India, have provided requisite disclosures in Note 3.37 to these consolidated Ind AS financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation of the Holding Company regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Group and as produced to us by the Management of the Holding Company.

For S.R. Batliboi& CO. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E / E300005

per Tridibes Basu
Partner
Membership Number: 17401

Place: Gurgaon
Date: 11 May, 2017

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF HCL TECHNOLOGIES LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of HCL Technologies Limited as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of HCL Technologies Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Batliboi & CO. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E / E300005

per Tridibes Basu
Partner
Membership Number: 17401

Place of Signature: Gurgaon
Date: 11 May 2017

Consolidated Balance Sheet as at 31 March 2017

(All amounts in crores of ₹)

		Note No.	As at 31 March 2017	As at 31 March 2016	As at 1 July 2015
I.	**ASSETS**				
	(1) Non-current assets				
	(a) Property, plant and equipment	3.1	3,998.30	3,595.38	3,168.06
	(b) Capital work in progress		447.94	610.90	553.74
	(c) Goodwill	3.2	6,504.38	5,775.32	4,803.76
	(d) Other intangible assets	3.3	4,733.30	345.39	78.77
	(e) Investment in an associate	3.4	125.81	146.33	-
	(f) Financial assets				
	(i) Investments	3.4	34.25	15.58	9.87
	(ii) Loans	3.5	0.07	15.00	15.01
	(iii) Others	3.6	709.57	684.54	630.82
	(g) Deferred tax assets (net)	3.25	1,651.85	1,811.09	1,646.02
	(h) Other non-current assets	3.7	1,094.19	1,359.37	1,302.51
	(2) Current assets				
	(a) Inventories	3.8	275.58	264.48	157.61
	(b) Financial assets				
	(i) Investments	3.4	1,145.67	536.47	767.46
	(ii) Trade receivables	3.9	8,301.26	7,721.14	6,563.04
	(iii) Cash and cash equivalents	3.10(a)	1,321.13	732.91	1,355.81
	(iv) Other bank balances	3.10(b)	7,722.71	8,601.69	8,476.55
	(v) Loans	3.5	2,528.16	2,050.02	1,222.11
	(vi) Others	3.6	3,407.24	3,443.49	3,253.06
	(c) Other current assets	3.11	1,768.03	1,631.50	1,340.91
	TOTAL ASSETS		**45,769.44**	**39,340.60**	**35,345.11**
II.	**EQUITY**				
	(a) Equity share capital	3.12	285.36	282.08	281.20
	(b) Other equity		32,664.49	27,108.69	24,085.48
	Equity attributable to shareholders of the Company		32,949.85	27,390.77	24,366.68
	Non controlling interest		172.53	210.66	0.29
	TOTAL EQUITY		33,122.38	27,601.43	24,366.97
III.	**LIABILITIES**				
	(1) Non - current liabilities				
	(a) Financial liabilities				
	(i) Borrowings	3.13	382.64	737.40	167.89
	(ii) Others	3.14	25.20	210.93	44.42
	(b) Provisions	3.15	696.12	597.04	523.04
	(c) Other non-current liabilities	3.16	201.45	365.35	578.20
	(2) Current liabilities				
	(a) Financial liabilities				
	(i) Borrowings	3.13	62.06	214.44	355.48
	(ii) Trade payables	3.17	800.62	703.47	626.61
	(iii) Others	3.14	7,544.62	5,848.01	5,875.73
	(b) Other current liabilities	3.18	1,721.84	1,618.99	1,410.26
	(c) Provisions	3.15	473.47	335.55	323.83
	(d) Current tax liabilities (net)		739.04	1,107.99	1,072.68
	TOTAL EQUITY AND LIABILITIES		**45,769.44**	**39,340.60**	**35,345.11**
Summary of significant accounting policies		1			

The accompanying notes are an integral part of the financial statements

As per our report of even date

FOR S. R. BATLIBOI & CO. LLP
ICAI Firm Registration Number : 301003E / E300005
Chartered Accountants

per Tridibes Basu
Partner
Membership Number: 17401

Gurgaon, India
11 May, 2017

For and on behalf of the Board of Directors of HCL Technologies Limited

Shiv Nadar
Chairman and Chief Strategy Officer

Keki Mistry
Director

C. Vijayakumar
President and Chief Executive Officer

Anil Chanana
Chief Financial Officer

Prahlad Rai Bansal
Deputy Chief Financial Officer

Manish Anand
Company Secretary

Noida (UP), India
11 May, 2017

Consolidated Statement of Profit and Loss for the year ended 31 March 2017

(All amounts in crores of ₹)

		Note No.	Year ended 31 March 2017 (Twelve months)	Year ended 31 March 2016 (Nine months) refer note 1(a)
I	**Revenue**			
	Revenue from operations	3.19	47,567.53	31,135.94
	Other income	3.20	1,073.32	866.13
	Total income		**48,640.85**	**32,002.07**
II	**Expenses**			
	Purchase of stock-in-trade		826.21	812.73
	Changes in inventories of stock-in-trade	3.21	(11.10)	(108.75)
	Employee benefits expense	3.22	22,866.18	15,203.25
	Finance costs	3.23	89.09	73.90
	Depreciation and amortization expense	3.1 & 3.3	828.13	409.86
	Outsourcing costs		8,665.37	5,014.14
	Other expenses	3.24	4,836.32	3,561.02
	Total expenses		**38,100.20**	**24,966.15**
III	**Profit before share of profit of associate and tax**		**10,540.65**	**7,035.92**
IV	Share of profit of associates		2.10	4.76
V	**Profit before tax**		**10,542.75**	**7,040.68**
VI	**Tax expense**	3.25		
	Current tax		1,885.38	1,663.50
	Deferred tax charge (credit)		50.90	(224.50)
	Total tax expense		1,936.28	1,439.00
VII	**Profit for the year**		**8,606.47**	**5,601.68**
VIII	**Other comprehensive income**	3.26		
(A)	(i) Items that will not be reclassified to statement of profit and loss		(6.55)	11.27
	(ii) Income tax on items that will not be reclassified to statement of profit and loss		1.28	(2.48)
(B)	(i) Items that will be reclassified subsequently to statement of profit and loss		(186.66)	130.57
	(ii) Income tax on items that will be reclassified to statement of profit and loss		(109.56)	(11.60)
IX	**Total other comprehensive income**		**(301.49)**	**127.76**
X	**Total comprehensive income for the year**		**8,304.98**	**5,729.44**
	Profit for the year attributable to			
	Shareholders of the Company		8,606.33	5,602.43
	Non-controlling interest		0.14	(0.75)
			8,606.47	5,601.68
	Total comprehensive income for the year attributable to			
	Shareholders of the Company		8,343.11	5,730.19
	Non-controlling interest		(38.13)	(0.75)
			8,304.98	5,729.44
	Earnings per equity share of ₹ 2 each	3.27		
	Basic (in ₹)		60.33	39.79
	Diluted (in ₹)		60.27	39.69
Summary of significant accounting policies		1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

FOR S. R. BATLIBOI & CO. LLP
ICAI Firm Registration Number : 301003E / E300005
Chartered Accountants

per Tridibes Basu
Partner
Membership Number: 17401

Gurgaon, India
11 May, 2017

For and on behalf of the Board of Directors of HCL Technologies Limited

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Chief Financial Officer

Prahlad Rai Bansal
Deputy Chief Financial Officer

Manish Anand
Company Secretary

Noida (UP), India
11 May, 2017

Consolidated Statement of Changes in Equity for the year ended 31 March 2017

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

	Equity share capital		Other Equity								Other equity attributable to		
			Share application money pending allotment	Reserves and Surplus					Foreign currency translation reserve	Cash flow hedging reserve			
	Shares	Share capital		Retained earnings	General Reserve	Securities premium	Capital redemption reserve	Share based payment reserve			Shareholders of the Company	Non Controlling Interests	Total Equity
Balance as at 1 July, 2015	1,405,978,418	281.20	0.02	17,793.93	2,859.15	1,881.21	45.00	113.17	1,433.68	(40.68)	24,085.48	0.29	24,085.77
Profit for the year	-	-	-	5,602.43	-	-	-	-	-	-	5,602.43	(0.75)	5,601.68
Other comprehensive income (refer note 3.26)	-	-	-	8.79	-	-	-	-	70.20	48.77	127.76	-	127.76
Total comprehensive income for the year	-	-	-	5,611.22	-	-	-	-	70.20	48.77	5,730.19	(0.75)	5,729.44
Dividend of ₹ 16 per share (including tax on dividend of ₹ 445.85 crores)	-	-	-	(2,697.59)	-	-	-	-	-	-	(2,697.59)	-	(2,697.59)
Shares issued for exercised options	4,402,896	0.88	(0.02)	-	-	81.80	-	(81.79)	-	-	(0.01)	-	(0.01)
Share options exercised pending allotment of shares	-	-	0.05	-	-	-	-	-	-	-	0.05	-	0.05
Share based payments to employees	-	-	-	-	-	-	-	6.27	-	-	6.27	-	6.27
Excess tax benefit from share-based payments	-	-	-	(15.70)	-	-	-	-	-	-	(15.70)	-	(15.70)
Change in non-controlling interest (refer note 2(b)(iv))	-	-	-	-	-	-	-	-	-	-	-	211.12	211.12
Balance as at 31 March, 2016	1,410,381,314	282.08	0.05	20,691.86	2,859.15	1,963.01	45.00	37.65	1,503.88	8.09	27,108.69	210.66	27,319.35
Balance as at 1 April, 2016	1,410,381,314	282.08	0.05	20,691.86	2,859.15	1,963.01	45.00	37.65	1,503.88	8.09	27,108.69	210.66	27,319.35
Profit for the year	-	-	-	8,606.33	-	-	-	-	-	-	8,606.33	0.14	8,606.47
Other comprehensive income (refer note 3.26)	-	-	-	(5.27)	-	-	-	-	(695.03)	437.08	(263.22)	(38.27)	(301.49)
Total comprehensive income for the year	-	-	-	8,601.06	-	-	-	-	(695.03)	437.08	8,343.11	(38.13)	8,304.98
Dividend of ₹ 24 per share (including tax on dividend of ₹ 682.62 crores)	-	-	-	(4,068.73)	-	-	-	-	-	-	(4,068.73)	-	(4,068.73)
Shares issued for consideration other than cash on acquisition of business of Geometric Limited (refer note 2)	15,563,430	3.11	-	-	-	1,263.91	-	-	-	-	1,263.91	-	1,263.91
Shares issued for exercised options	838,680	0.17	(0.05)	-	-	17.41	-	(17.41)	-	-	(0.05)	-	(0.05)
Share options exercised pending allotment of shares	-	-	0.03	-	-	-	-	-	-	-	0.03	-	0.03
Excess tax benefit from share-based payments	-	-	-	17.53	-	-	-	-	-	-	17.53	-	17.53
Balance as at 31 March, 2017	1,426,783,424	285.36	0.03	25,241.72	2,859.15	3,244.33	45.00	20.24	808.85	445.17	32,664.49	172.53	32,837.02

Summary of significant accounting policies **1**

The accompanying notes are an integral part of the financial statements.

As per our report of even date

FOR S. R. BATLIBOI & CO. LLP
ICAI Firm Registration Number : 301003E / E300005
Chartered Accountants

per Tridibes Basu
Partner
Membership Number: 17401

Gurgaon, India
11 May, 2017

For and on behalf of the Board of Directors of HCL Technologies Limited

Shiv Nadar
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Prahlad Rai Bansal
Deputy Chief Financial Officer

Manish Anand
Company Secretary

Noida (UP), India
11 May, 2017

Consolidated Statement of Cash flows

(All amounts in crores of ₹)

	Year ended 31 March 2017 (Twelve months)	Year ended 31 March 2016 (Nine months) refer note 1(a)
A. Cash flows from operating activities		
Profit before tax	10,542.75	7,040.68
Adjustment for:		
Depreciation and amortization	828.13	409.86
Interest income	(799.65)	(654.20)
Provision for doubtful debts / bad debts written off, net	8.23	91.15
Income on investments carried at fair value through profit and loss	(54.88)	(22.79)
Interest expenses	18.51	7.63
Loss (profit) on sale of property, plant and equipment (net)	5.79	(145.52)
Employee stock compensation expense	-	6.27
Share of profit of an associate	(2.10)	(4.76)
Amortization reduced against revenue	116.03	-
Other non cash (benefits) charges (net)	18.57	6.27
Operating profit before working capital changes	**10,681.38**	**6,734.59**
Movement in Working Capital		
(Increase) decrease in trade receivables	(742.62)	(1,087.16)
(Increase) decrease in inventories	(20.21)	(86.73)
(Increase) decrease in other financial assets and other assets	573.79	(446.59)
Increase (decrease) in trade payables	56.31	47.88
Increase (decrease) in provisions, other financial liabilities and other liabilities	453.43	69.48
Cash generated from operations	**11,002.08**	**5,231.47**
Direct taxes paid (net of refunds)	(2,006.95)	(1,408.85)
Net cash flow from operating activities (A)	**8,995.13**	**3,822.62**
B. Cash flows from investing activities		
Investments in bank deposits	(7,779.29)	(4,595.10)
Proceeds from bank deposits on maturity	8,659.18	4,469.84
Purchase of investments in securities	(11,666.10)	(6,868.97)
Proceeds from sale of investments in securities	11,209.73	7,121.42
Investment in equity instruments carried at cost	(11.94)	-
Deposits placed with body corporate	(2,499.51)	(2,008.95)
Proceeds from maturity of deposits placed with body corporate	1,985.40	1,216.55
Payments for business acquisitions, net of cash acquired	(487.55)	(1,182.88)
Investment in associates	(14.24)	(13.66)
Investment in limited liability partnership	(7.24)	(3.98)
Purchase of Licensed IPRs	(2,643.57)	-
Purchase of property, plant and equipment and intangibles, including capital work in progress and capital advances	(1,278.46)	(941.84)
Proceeds from sale of property, plant and equipment	110.26	193.63
Entrusted loan provided	(7.53)	-
Decrease in entrusted loan receivable	24.89	-
Interest and dividend received	853.92	645.04
Taxes paid	(264.53)	(219.80)
Net cash flow used in investing activities (B)	**(3,816.58)**	**(2,188.70)**

	Year ended 31 March 2017 (Twelve months)	Year ended 31 March 2016 (Nine months) refer note 1(a)
C. Cash flows from financing activities		
Proceeds from issue of share capital	0.15	0.91
Proceeds from long term borrowings	31.27	692.99
Repayment of long term borrowings	(243.18)	(68.84)
Proceeds from short term borrowings	196.63	52.21
Repayment of short term borrowings	(380.63)	(195.25)
Repayment of entrusted loan	(24.89)	-
Proceeds from entrusted loan (refer note 3.28)	7.53	-
Payments for deferred consideration on business acquisitions	(32.96)	-
Dividend paid	(3,385.17)	(2,251.33)
Corporate dividend tax	(682.62)	(445.85)
Interest paid	(18.51)	(7.62)
Principal payment on finance lease obligations, net	(0.72)	(14.31)
Net cash flow used in financing activities (C)	**(4,533.10)**	**(2,237.09)**
Net increase (decrease) in cash and cash equivalents (A+B+C)	645.45	(603.17)
Effect of exchange differences on cash and cash equivalents held in foreign currency	(57.23)	(19.73)
Cash and cash equivalents at the beginning of the year	732.91	1,355.81
Cash and cash equivalents at the end of the year as per note 3.10(a) (refer note below)	**1,321.13**	**732.91**

Summary of significant accounting policies (Note 1)

Notes:

1. The total amount of income taxes paid is ₹ 2,271.48 crores (31 March 2016, ₹ 1,628.65 crores)
2. Cash and cash equivalents include the following:

Investor education and protection fund-unclaimed dividend *	4.34	3.40

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

As per our report of even date

FOR S. R. BATLIBOI & CO. LLP
ICAI Firm Registration Number : 301003E / E300005
Chartered Accountants

per Tridibes Basu
Partner
Membership Number: 17401

Gurgaon, India
11 May, 2017

For and on behalf of the Board of Directors
of HCL Technologies Limited

Shiv Nadar
Chairman and Chief Strategy Officer

Keki Mistry
Director

C. Vijayakumar
President and Chief Executive Officer

Anil Chanana
Chief Financial Officer

Prahlad Rai Bansal
Deputy Chief Financial Officer

Manish Anand
Company Secretary

Noida (UP), India
11 May, 2017

ORGANIZATION AND NATURE OF OPERATIONS

HCL Technologies Limited (hereinafter referred to as “the Company” or “the Parent Company”) and its subsidiaries (hereinafter collectively referred to as “the Group”) are primarily engaged in providing a range of software services, business process outsourcing services and IT infrastructure services. The Company was incorporated under the provisions of the Companies Act applicable in India in November 1991, having its registered office at 806, Siddharth, 96, Nehru Place, New Delhi- 110019. The Group leverages its extensive offshore infrastructure and global network of offices and professionals located in various countries to deliver solutions across select verticals including financial services, manufacturing (automotive, aerospace, hi-tech and semi-conductors) telecom, retail and consumer packaged goods services, media, publishing and entertainment, public services, energy and utility, healthcare and travel, transport and logistics.

The consolidated financial statements for the year ended 31st March, 2017 were approved and authorized for issue by the Board of Directors on 11 May, 2017.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) *Basis of preparation*

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

The Group uses the Indian rupee (‘₹’) as its reporting currency.

For all years up to and including the year ended 31 March 2016, the Group prepared its consolidated financial statements in accordance with Indian GAAP (“Previous GAAP”), including accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014.

These consolidated financial statements, being the Group’s first Ind AS financial statements, are covered by Ind AS 101, “First-time Adoption of Indian Accounting Standards”. An explanation of the effect of the transition from Previous GAAP to Ind AS on the Group’s equity and profit is provided in Note 4.

These consolidated financial statements have been prepared under the historical cost convention on an accrual and going concern basis, except for the following assets and liabilities which have been measured at fair value:

a) Derivative financial instruments,

b) Certain financial assets and liabilities (refer accounting policy regarding financial instruments),

The preparation of these consolidated financial statements has resulted in changes to the Group’s accounting policies as compared to the most recent annual consolidated financial statements prepared under Previous GAAP. Accounting policies have been applied consistently to all years presented in the consolidated financial statements including the preparation of the (Ind AS) opening balance sheet as at 1 July, 2015 (‘Transition date’) for the purpose of transition to (Ind AS) and as required by Ind AS101. These accounting policies have also been applied consistently by all entities in the Group.

Section 2(41) of the Companies Act, 2013 requires all companies to have their financial year ending on 31st March. The Company adopted this change from the previous financial year and accordingly, the previous financial year of the Company is for a nine months period from 1st July 2015 to 31st March 2016 (hereinafter referred as “Year ended 31 March, 2016”). The financial statements of the subsidiary companies and associates used in the consolidation are drawn up to the same reporting date as that of the Company.

Since the transition date for Ind AS is 1st July 2015 and previous financial year is for nine months, the same is not comparable.

Notes to financial statements for the year ended 31 March 2017
(All amounts in crores of ₹, except share data and as stated otherwise)

(b) ***Basis of Consolidation***

The consolidated financial statements comprise the financial statements of HCL Technologies Limited, the Parent Company, and its subsidiaries, as at 31March 2017.

Control is achieved when the Group is exposed, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

a) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

b) Exposure, or rights, to variable returns from its involvement with the investee, and

c) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

a) The contractual arrangement with the other vote holders of the investee

b) Rights arising from other contractual arrangements

c) The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

The financial statements of the subsidiaries in the Group are added on a line-by-line basis and inter-company balances and transactions including unrealized gain / loss from such transactions, are eliminated upon consolidation. The consolidated financial statements are prepared by applying uniform accounting policies in use by the Group.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not in control or joint control over those policies. The aggregate of the Group's share of profit and loss of an associate is shown on the face of the statement of profit and loss.

The Group picks up its share of the equity of 49% in Celeriti Fintech Services Limited on a three month lag. There is no material transaction between the reporting dates of the associate and that of the Group.

(c) ***Use of estimates***

The preparation of consolidated financial statements in conformity with Ind AS requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses and other comprehensive income (OCI) that are reported and disclosed in the consolidated financial statements and accompanying notes. These estimates are based on the management's best knowledge of current events, historical experience, actions that the Group may undertake in the future and on various other assumptions that are believed to be reasonable under the circumstances. Significant estimates and assumptions are used for, but not limited to, accounting for costs expected to be incurred to complete performance under fixed price projects, allowance for uncollectible accounts receivables, accrual of warranty costs, income taxes, valuation of share-based compensation, future obligations under employee benefit plans, the useful lives of property, plant and equipment, intangible assets, impairment of goodwill, and other contingencies and commitments. Changes in estimates are reflected in the consolidated financial statements in the year in which the changes are made. Actual results could differ from those estimates.

(d) ***Business combinations and goodwill***

In accordance with the provisions of Ind AS 101 related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from the transition date. As such, Previous GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward (please refer note 4 below).

Business combinations are accounted for using the acquisition method. The cost of an acquisition is the aggregate of the consideration transferred measured at fair value at the acquisition date and the amount of any non-controlling interest in the acquiree. For each business combination, the Group measures the non-controlling interest in the acquiree at fair value. Acquisition related costs are expensed as incurred.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as financial liability is measured at fair value with changes in fair value recognized in the statement of profit and loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the excess is recognized as capital reserve after reassessing the fair values of the net assets.

(e) ***Foreign currency and translation***

The Group's consolidated financial statements are presented in Indian Rupee (₹), which is also the parent company's functional currency. For each entity, the Group determines the functional currency which is its respective local currency, except for four subsidiaries outside India which use the '₹' as their functional currency, and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to the statement of profit and loss reflects the amount that arises from using this method.

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated to the relevant functional currency at exchange rates in effect at the balance sheet date. Exchange differences arising on settlement or translation of monetary items are recognized in the statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of initial transaction. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the year in which the transaction is settled. Revenue, expenses and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

The translation of foreign operations from respective functional currency into INR (the reporting currency) for assets and liabilities is performed using the exchange rates in effect at the balance sheet date, and for revenue, expenses and cash flows is performed using an appropriate daily weighted average exchange rate for the respective years. The exchange differences arising on translation for consolidation are reported as a component of 'other comprehensive income (loss)'. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognized in the statement of profit and loss.

(f) ***Fair value measurement***

The Group records certain financial assets and liabilities at fair value on a recurring basis. The Group determines fair values based on the price it would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability.

The Group holds certain fixed income securities, equity securities and derivatives, which must be measured using the guidance for fair value hierarchy and related valuation methodologies. The guidance specifies a hierarchy of valuation techniques based on whether the inputs to each measurement are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Group's assumptions about current market conditions. The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The prescribed fair value hierarchy and related valuation methodologies are as follows:

Level 1 - Quoted inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 - Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-derived valuations, in which all significant inputs are directly or indirectly observable in active markets.

Level 3 - Valuations derived from valuation techniques, in which one or more significant inputs are unobservable inputs which are supported by little or no market activity.

In accordance with Ind AS 113, assets and liabilities are to be measured based on the following valuation techniques:

a) Market approach – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.

b) Income approach – Converting the future amounts based on market expectations to its present value using the discounting method.

c) Cost approach – Replacement cost method.

Certain assets are measured at fair value on a non-recurring basis. The assets consist primarily of non-financial assets such as goodwill and intangible assets. Goodwill and intangible assets recognized in business combinations are measured at fair value initially and subsequently when there is an indicator of impairment, the impairment is recognized.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant who would use the asset in its highest and best use.

(g) ***Revenue recognition***

Contracts involving provision of services

Revenue is recognized when persuasive evidence of an arrangement exists, services have been rendered, the fee is determinable and collectability is reasonably assured. Contracts can be primarily categorized as time-and-material or fixed price contracts.

Time-and-material contracts

Revenue with respect to time-and-material contracts is recognized as the related services are performed.

Fixed Price contracts

Revenue related to contracts providing maintenance and support services, is recognized over the term of the contract.

Revenue from technology integration and complex network building contracts is recognized in accordance with the Percentage-Of-Completion (POC) method. Under the POC method, progress towards completion is measured based on either achievement of specified contract milestones, cost incurred as a proportion of estimated total cost or other measures of progress when available. If circumstances arise that change the original estimates of revenues, costs, or extent of progress towards completion, revisions are made to the estimates. These revisions may result in increase or decrease in estimated revenues or costs, and such revisions are reflected in income in the year in which the circumstances that gave rise to the revision become known to the management. If at any time these estimates indicate that the contract will be unprofitable, the entire estimated loss for the remainder of the contract is recorded immediately.

Revenue related to other fixed price contracts is recognized in accordance with the Percentage of Completion method (POC). The cost incurred on the projects is used to measure progress towards completion. Costs are recorded as incurred over the contract period. Any revision in cost to complete would result in increase or decrease in revenue and income and such changes are recorded in the year in which they are identified. Provisions for estimated losses, if any, on contracts-in-progress are recorded in the period in which such losses become probable based on the current cost estimates. Contract losses are determined to be the amount by which the estimated total cost to complete exceeds the estimated total revenue that will be generated by the contract and are included in Cost of services and classified in other accrued liabilities.

In arrangements involving sharing of customer revenues, revenue is recognized when the amounts are known and the right to receive is established. Incremental revenue from existing contracts arising on future sales to the customers is recognized when it is earned and collectability is reasonably assured.

Revenues from unit-priced contracts are recognized as transactions are processed, based on objective measures of output.

Revenue from product sales are shown net of sales tax and applicable discounts and allowances. Revenue related to product with installation services that are critical to the product is recognized when installation of product at customer site is completed and accepted by the customer. If the revenue for a delivered item is not recognized for non-receipt of acceptance from the customer, the cost of the delivered item is also deferred. Revenue from maintenance services is recognized ratably over the period of the contract.

Multiple-element arrangements

When a sales arrangement contains multiple elements, such as services, hardware and software products and licenses, revenue for each element is determined based on its fair value.

Revenue recognition for delivered elements is limited to the amount that is not contingent on the future delivery of products or services, future performance obligations or subject to customer-specified return or refund privileges.

Revenue from activities in transition services not having standalone value in outsourcing arrangements is deferred and recognized over the period of the arrangement. Direct and incremental costs in relation to such an arrangement are also deferred to the extent of revenue. Certain upfront non-recurring contract acquisition costs incurred in the initial phases of outsourcing contracts are deferred and amortized usually on a straight line basis, over the term of the contract unless revenues are earned and obligations are fulfilled in a different pattern. The undiscounted cash flows from the arrangement are periodically estimated and compared with the unamortized costs. If the unamortized costs exceed the undiscounted cash flow, a loss is recognized.

In instances when revenue is derived from sales of third-party vendor services, material or licenses, revenue is recorded on a gross basis when the Group is a principal to the transaction and net of costs when the Group is acting as an agent between the customer and the vendor. Several factors are considered to determine whether the Group is a principal or an agent, most notably whether the Group is the primary obligor to the customer, has established its own pricing, and has inventory and credit risks.

Revenue is recognized net of discounts and allowances, value-added tax and service tax, and includes reimbursement of out-of-pocket expenses, with the corresponding out-of-pocket expenses included in cost of revenues.

Revenue from financing leases is recognized when risk of loss has been transferred to the client and there are no unfulfilled obligations that affect the final acceptance of the arrangement by the client. Revenue from operating leases is accounted on a straight-line basis as service revenue over the rental period. Interest attributable to financing leases included therein is recognized on an accrual basis using the effective interest method.

Interest income

Interest income for all financial instruments measured at amortized cost is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the EIR, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

(h) ***Income taxes***

Income tax expense comprises current and deferred income tax.

Income tax expense is recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Provision for income tax includes the impact of provisions established for uncertain income tax positions, as well as the related interest and penalties.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred taxes which originate during the tax holiday period are reversed after the tax holiday period. For this purpose, reversal of timing differences is determined using first-in-first-out method.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

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 taxes relate to the same taxable entity and the same taxation authority.

The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the year that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognized subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognized in the statement of profit and loss.

In some tax jurisdictions, tax deductions on share based payments to employees are different from the related cumulative remuneration expenses. If the amount of the tax deduction (or estimated future tax deduction) exceeds the amount of the related cumulative remuneration expense, the excess of the associated tax is recognized directly in retained earnings.

(i) ***Property, plant and equipment***

Property, plant and equipment 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. The Group identifies and determines separate useful lives for each major component of the property, plant and equipment, if they have a useful life that is materially different from that of the asset as a whole.

Subsequent expenditure related to an item of property, plant and equipment 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 property, plant and equipment, including day-to-day repairs, maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the year during which such expenses are incurred.

Gains or losses arising from derecognition of 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.

Property, plant and equipment under construction and cost of assets not ready for use at the year-end are disclosed as capital work- in- progress.

Depreciation on property, plant and equipment is provided on the straight-line method over their estimated useful lives, as determined by the management. Depreciation is charged on a pro-rata basis for assets purchased / sold during the year.

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

Asset description	Asset life (in years)
Buildings	20
Plant and equipment (including air conditioners, electrical installations)	10
Office equipment	5
Computers	4-5
Furniture and fixtures	7
Vehicles - owned	5
Vehicles - leased	Over the period of lease or 5 years, whichever is lower
Leasehold - improvements	Over the lease period or useful life of the asset, whichever is lower

The useful lives as given above best represent the period over which the management expects to use these assets, based on technical assessment. The estimated useful lives for these assets are therefore different from the useful lives prescribed under Part C of Schedule II of the Companies Act 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

(j) ***Intangible assets***

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Intangible assets are amortized over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss.

Gains or losses arising from derecognition of an intangible asset 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.

The intangible assets are amortized over the estimated useful life of the assets as mentioned below except certain Licensed IPRs which include the right to modify, enhance or exploit are amortized in proportion to the expected benefits over the useful life which could range up to 15 years:

Asset description	Asset life (in years)
Software	3
Licensed IPRs	5 to 15
Customer relationships	1 to 11
Customer contracts	1 to 2
Technology	5 to 15
Intellectual property rights including Brand	2 to 6
Non-compete agreements	5

(k) ***Research and development costs***

Research costs are expensed as incurred. Development expenditure, on an individual project, is recognized as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. Amortization expense is recognized in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

(l) ***Borrowing costs***

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 asset. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(m) ***Leases***

Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between 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 in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset or the lease term.

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the year in which they are earned.

Leases in which the Group transfers substantially all the risk and benefits of ownership of the asset are classified as finance leases. Assets given under finance lease are recognized as a receivable at an amount equal to the net investment in the leased assets. After initial recognition, the Group apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance leases. The interest income is recognized in the statement of profit and loss. Initial direct costs such as legal cost, brokerage cost etc. are recognized immediately in the statement of profit and loss.

(n) ***Inventory***

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 identifying individual costs of each item. Cost of stock-in-trade, that are interchangeable and not specific to any project and cost of stores and spare parts are determined using the weighted average cost formula.

(o) ***Impairment of non-financial assets***

Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Group's cash generating units (CGU) expected to benefit from the synergies arising from the business combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU. Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU, pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill recognized in the statement of profit and loss is not reversed in the subsequent period.

Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the asset exceeds the estimated recoverable amount of the asset.

(p) ***Provisions***

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows.

(q) ***Retirement and other employee benefits***

i. Provident fund: Employees of the Company and its subsidiaries in India receive benefits under the provident fund, a defined benefit plan. The employee and employer each make monthly contributions to the plan. A portion of the contribution is made to the provident fund trust managed by the Group or Government administered provident fund; while the balance contribution is made to the Government administered pension fund. For the contribution made by the Company and its subsidiaries in India to the provident fund trust managed by the Group, the Company has an obligation to fund any shortfall on the yield of the Trust's investments over the administered interest rates. The liability is actuarially determined (using the projected unit credit method) at the end of the year. The funds contributed to the Trust are invested in specific securities as mandated by law and generally consist of federal and state government bonds, debt instruments of government-owned corporations and other eligible market securities.

ii. In respect of superannuation, a defined contribution plan for applicable employees, the Company contributes to a scheme administered on its behalf by an insurance company and such contributions for each year of service rendered by the employees are charged to the statement of profit and loss. The Company has no further obligations to the superannuation plan beyond its contributions.

iii. Gratuity liability: The Company and its subsidiaries in India provide for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's base salary and the tenure of employment (subject to a maximum of ₹ 10 lacs per employee). The liability is actuarially determined (using the projected unit credit method) at the end of each year. Actuarial gains / losses are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the year in which they occur.

   In respect to certain employees in India, the Company contributes towards gratuity liabilities to the Gratuity Fund Trust. Trustees of the Company administer contributions made to the Trust and contributions are invested in a scheme with Life Insurance Corporation of India as permitted by law.

iv. Compensated absences: The employees of the Group are entitled to compensated absences which are both accumulating and non-accumulating in nature. The employees can carry forward up to the specified portion of the unutilized accumulated compensated absences and utilize it in future periods or receive cash at retirement or termination of employment. 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. The expense on non-accumulating compensated absences is recognized in the statement of profit and loss in the year in which the absences occur. Actuarial gains / losses are immediately taken to the statement of profit and loss and are not deferred.

v. State Plans: The contribution to State Plans in India, a defined contribution plan namely Employee State Insurance Fund and Employees' Pension Scheme for the Company and its subsidiaries in India are charged to the statement of profit and loss as and when employees render related services.

vi. Contributions to other foreign defined contribution plans are recognized as expense when employees have rendered services entitling them to such benefits.

(r) ***Equity settled stock based compensation***

Stock-based compensation represents the cost related to stock-based awards granted to employees. The Company measures stock-based compensation cost at grant date, based on the estimated fair value of the award and recognizes the cost (net of estimated forfeitures) on a straight line basis over the requisite service period for each separately vesting portion of the award, as if award was in substance, multiple awards. The Company estimates the fair value of stock options using the Black-Scholes valuation model. The cost is recorded under the head employee benefit expense in the statement of profit and loss with corresponding increase in "Share Based Payment Reserve".

(s) ***Financial Instruments***

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. **Financial assets**

All financial assets are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value measured on initial recognition of financial asset. Purchase and sale of financial assets are accounted for at trade date.

Cash and short-term deposits

Cash and short-term deposits in the balance sheet comprise cash in banks and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

Financial instruments at amortized cost

A financial instrument is measured at the amortized cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in other income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss. This category includes cash and bank balances, loans, unbilled revenue, trade and other receivables.

Financial instrument at Fair Value through Other Comprehensive Income (OCI)

A financial instrument is classified and measured at fair value through OCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent solely payments of principal and interest.

Financial instruments included within the OCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from OCI to statement of profit and loss.

Financial instrument at Fair Value through Profit and Loss

Any financial instrument, which does not meet the criteria for categorization at amortized cost or at fair value through other comprehensive income, is classified at fair value through profit and loss. Financial instruments included at the fair value through profit and loss category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investments

Equity investments, for which sufficient, more recent, information to measure fair value is not available, are measured at cost. Other equity investments in scope of Ind AS 109 are measured at fair value through profit and loss.

Equity instruments included within the fair value through profit and loss category are measured at fair value with all changes recognized in the statement of profit and loss.

Derecognition of financial assets

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired, or the Group has transferred its rights to receive cash flows from the asset.

Impairment of financial assets

The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit and loss. Lifetime ECL allowance is recognized for trade receivables with no significant financing component. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case they are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognized in statement of profit and loss.

ii. **Financial liabilities**

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, borrowings including bank overdrafts and other payables.

After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method except for deferred consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. Gains and losses are recognized in the statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

iii. **Derivative financial instruments and hedge accounting**

Foreign exchange forward contracts and options are purchased to mitigate the risk of changes in foreign exchange rates associated with forecast transactions denominated in certain foreign currencies.

The Group recognizes all derivatives as assets or liabilities measured at their fair value. Changes in fair value for derivatives not designated in a hedge accounting relationship are marked to market at each reporting date and the related gains (losses) are recognized in the statement of profit and loss as 'foreign exchange gains (losses)'.

The foreign exchange forward contracts and options in respect of forecast transactions which meet the hedging criteria are designated as cash flow hedges. Changes in the derivative fair values (net of tax) that are designated as effective cash flow hedges are deferred and recorded in the hedging reserve account as a component of accumulated 'other comprehensive income (loss)' until the hedged transaction occurs and are then recognized in the statement of profit and loss. The ineffective portion of hedging derivatives is immediately recognized in the statement of profit and loss.

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.

Hedge accounting is discontinued prospectively from the last testing date when (1) it is determined that the derivative financial instrument is no longer effective in offsetting changes in the fair value or cash flows of the underlying exposure being hedged; (2) the derivative financial instrument matures or is sold, terminated or exercised; or (3) it is determined that designating the derivative financial instrument as a hedge is no longer appropriate. When hedge accounting is discontinued the deferred gains or losses on the cash flow hedge remain in 'other comprehensive income (loss)' until the forecast transaction occurs. Any further change in the fair value of the derivative financial instrument is recognized in current year earnings.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis to realize the assets and settle the liabilities simultaneously.

(t) ***Dividend***

Final dividend proposed by the Board of Directors are recognized upon approval by the shareholders who have the right to decrease but not increase the amount of dividend recommended by the Board of Directors. Interim dividends are recognized on declaration by the Board of Directors.

(u) ***Earnings per share (EPS)***

Basic EPS amounts are computed by dividing the net profit attributable to the equity holders of the parent company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are computed by dividing the net profit attributable to the equity holders of the parent company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares). Dilutive potential equity shares are deemed converted as at the beginning of the year, unless issued at a later date. Dilutive potential equity shares are determined independently for each year presented.

(v) ***Recently issued accounting pronouncements***

On 17 March 2017, the Ministry of Corporate Affairs (MCA), notified Companies (Indian Accounting Standards) (Amendments) Rules, 2017, making amendments to Ind AS 7, 'Statement of cash flows'.

The amendment requires entities to disclose changes arising from non-cash transactions in addition to changes from financing cash flows arising from financial activities. The amendment also suggests providing of reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The amendment is effective for annual reporting period beginning on or after 1 April, 2017. The Group is currently evaluating the impact that the adoption of this amendment will have on its consolidated financial statements and the implementation approach to be used.

2. **ACQUISITIONS / ARRANGEMENTS**

a) **Acquisitions / arrangements in the current year**

i. **Business of Geometric Limited**

On 1 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 acquisition will help the Group to create a unique portfolio of end-to-end engineering and R&D capabilities across the full product lifecycle- hardware, software, manufacturing engineering and PLM consulting.

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.

The purchase consideration as per the scheme has been settled by issue of 10 equity shares of ₹ 2 each (aggregating to 15,563,430 equity shares) for every 43 fully paid equity shares of ₹ 2 each held by equity shareholders of Geometric Limited. The total purchase price of ₹1,267.02 crores has been allocated to the acquired assets and liabilities as follows:

	Amount
Net working capital	146.93
Property, plant & equipments and softwares	48.72
Investments	113.95
Intangible assets	
Customer relationship	151.00
Customer contract	18.90
Intellectual property rights	6.50
Goodwill	781.02
Total purchase consideration	**1,267.02**

The resultant goodwill is not tax deductible and has been allocated to the software segment.

The table below shows the values and lives of intangibles recognized on acquisition:-

	Amount	Life (Years)
Customer relationship	151.00	11
Customer contract	18.90	1
Intellectual property rights	6.50	6
Total Intangibles	**176.40**	

The purchase consideration has been allocated preliminarily based on management's estimates. The Group is in the process of making a final determination of the fair value of assets and liabilities. Finalization of the purchase price allocation may result in certain adjustments to the above allocation.

ii. **Butler America Aerospace, LLC**

On 3 January 2017, the Group through a wholly owned subsidiary has entered into an agreement to acquire 100% shareholding of Butler America Aerospace, LLC (Butler Aerospace), a provider of engineering, design services and after market engineering services to US Aerospace and Defence customers. The acquisition will bolster the Group's capabilities in engineering services and access to clients with large R&D spends.

The total purchase price of ₹ 541.84 crores has been allocated to the acquired assets and liabilities as follows:

	Amount
Net working capital	61.38
Property plant and equipment	9.46
Technology	2.09
Customer Relationships	85.14
Customer contracts	13.11
Non-compete agreements	3.44
Goodwill	367.22
Total purchase consideration	**541.84**

The resultant goodwill is tax deductible over the period of 15 years and has been allocated to the software segment.

The table below shows the values and lives of intangibles recognized on acquisition:-

	Amount	**Life (Years)**
Technology	2.09	5.0
Customer Relationships	85.14	10.0
Customer contracts	13.11	1.0
Non-compete agreements	3.44	5.0
Total Intangibles	**103.78**	

In addition to the purchase consideration, ₹ 16.22 crores is payable to certain key employees over a three year period. Payment of this amount is contingent upon achieving certain specified performance conditions and these employees continuing to be the employees of the subsidiary on the payment date. This consideration is being accounted for as post acquisition employee compensation expense.

The purchase consideration has been allocated preliminarily based on management's estimates. The Group is in the process of making a final determination of the fair value of assets and liabilities. Finalization of the purchase price allocation may result in certain adjustments to the above allocation.

b) **Acquisitions / arrangements in the previous year**

i. **Trygstad Technical Services Inc.**

In August 2015, the Company through a subsidiary acquired certain business of Trygstad Technical Services Inc., a US based service provider of IT consulting services and solutions. With this acquisition the Group enhanced its ability to provide additional value and turnkey solutions to the ecosystem of large Independent Software Vendors (ISVs).

The total purchase price for the acquisition was ₹ 65.43 crores, including deferred earn-out component of ₹ 19.88 crores dependent on achievement of certain specified performance obligations as set out in the agreement over a period of one year from the closing date. The Group has paid, ₹ 45.55 crores of the purchase price.

The earn-out liability was considered probable and initially fair valued at ₹ 17.57 crores and recorded as part of the purchase price allocation. The purchase price of ₹ 63.12 crores has been allocated to the acquired assets and liabilities as follows:

	Amount
Net working capital	0.16
Customer relationship	3.57
Customer contract	5.41
Goodwill	53.98
Total purchase consideration	**63.12**

The resultant goodwill is tax deductible over the period of 15 years and has been allocated to the software segment.

The table below shows the values and lives of intangibles recognized on acquisition:-

	Amount	**Life (Years)**
Customer relationship	3.57	4.8
Customer contract	5.41	1.11
Total Intangibles	**8.98**	

Earn out liability has been fair valued at ₹ 20.25 crores with finance expense of ₹ 2.33 crores on fair valuation recognized in the statement of profit and loss.

During the year ended 31 March, 2017, the Group has made a payment of ₹17.82 crores based on satisfaction of the performance obligation as set out in agreement. The difference of ₹ 2.33 crores between the liability recorded and the amount paid was recognized in the statement of profit and loss.

ii. **Concept to Silicon Systems (C2SiS)**

In October 2015, the Company through a subsidiary acquired 100% shares of Bengaluru-based engineering services firm, Concept to Silicon Systems (C2SiS). With this strategic acquisition, the Group will be able to leverage C2SiS's capability in areas such as system-on-chip and physical design.

Purchase consideration payable for the acquisition was ₹ 12.48 crores out of which ₹ 11.70 crores was paid till 31 March, 2016 and the balance has been paid during the year ended 31 March, 2017.

The purchase price of ₹ 12.48 crores has been allocated to the acquired assets and liabilities as follows:

	Amount
Net working capital	3.33
Customer contract	1.27
Goodwill	7.88
Total purchase consideration	**12.48**

The resultant goodwill is not tax deductible and has been allocated to the software segment.

The table below shows the values and lives of intangibles recognized on acquisition:-

	Amount	**Life (Years)**
Customer contract	1.27	0.9
Total Intangibles	**1.27**	

In addition to the purchase consideration, ₹ 7.00 crores is payable to selling shareholders in tranches of ₹ 3.50 crores each over a two year period. Payment of this amount is contingent upon achieving certain specified targets and the selling shareholders continuing to be the employees of the subsidiary on the payment date. This consideration is being accounted for as post acquisition employee compensation expense.

During the year ended 31 March, 2017, amount of ₹ 3.50 crores payable at the end of year one, was not paid as the performance obligation as set out in the agreement was not met.

iii. **Powerteam LLC**

In October 2015, the Company through a subsidiary, acquired 100% shares of Minneapolis-based Power team LLC - a North American professional services firm providing service, support, education and add-ons for Microsoft Dynamics CRM. This acquisition enables the Group to take advantage of the rapidly-growing global CRM market.

Total purchase price for the acquisition was ₹ 274.06 crores which includes deferred earn-out component of ₹ 89.46 crores dependent on achievement of certain specified performance obligations as set out in the agreement and is payable in tranches over a three year period ending November 2018. The Group has paid, ₹ 183.89 crores through 31 March, 2016 and the balance has been paid during the year ended 31 March, 2017.

This earn-out liability was considered probable and initially fair valued at ₹ 54.05 crores and recorded as part of the purchase price allocation. The purchase price of ₹ 238.64 has been allocated to the acquired assets and liabilities as follows:

	Amount
Net working capital	19.43
Property plant and equipment	4.41
Customer relationship	43.10
Customer contract	3.32
Brand	4.64
Goodwill	163.74
Total purchase consideration	**238.64**

The resultant goodwill is tax deductible over the period of 15 years and has been allocated to the software segment.

The table below shows the values and lives of intangibles recognized on acquisition:-

	Amount	Life (Years)
Customer relationship	43.07	5.8
Customer contract	3.32	0.6
Brand	4.64	3.0
Total Intangibles	**51.03**	

During the year ended 31 March, 2017, the Group has made a payment of ₹ 15.24 crores for the first tranche based on satisfaction of the performance obligation as set out in the agreement. The difference of ₹ 3.91 crores between the liability initially recorded for the first tranche and the amount paid has been recognized in the statement of profit and loss.

As at 31 March, 2017, earn out liability has been fair valued at ₹42.21 crores with finance expense of ₹1.89 crores on fair valuation recognized in the statement of profit and loss.

In addition to the purchase consideration, ₹ 33.14 crores which is currently held in escrow account, is payable to the selling shareholders in tranches of ₹ 16.57 crores over a two year period. Payment of this amount is contingent upon the selling shareholders continuing to be the employees of the subsidiary on the payment date. This consideration is being accounted for as post acquisition employee compensation expense.

During the year ended 31 March, 2017, out of ₹ 33.14 crores held in escrow account the Group has paid ₹ 16.57 crores based on satisfaction of employment condition.

iv. **Arrangement with CSC**

In November 2015, the Group entered into an arrangement with Computer Science Corporation (CSC) to operate and expand the existing Core Banking business of CSC. Under the arrangement, two entities, Celeritifintech Limited and Celeritifintech Services Limited have been formed, where Celeritifintech Limited would be focusing on account management and delivery governance and Celeritifintech Services Limited would be focusing on service delivery and product development.

The Group owns 51% interest in Celeritifintech Limited and is obligated to contribute ₹ 212.38 crores over a period of two years. As at 31 March, 2017, the Group has contributed ₹ 22.80 crores in cash. CSC has contributed right to exploit and sub license its core banking, cards, payments and default management solutions and its existing business and customers in exchange for 49% interest. The fair value of CSC's contribution has been allocated to intangibles of ₹ 154.61 crores, with the residual ₹ 61.34 crores accounted for as goodwill. The resultant goodwill is not tax deductible and has been allocated to the software segment.

The table below shows the values and lives of intangibles recognized on acquisition:-

	Amount	Life (Years)
Technology	95.00	5-15
Customer relationships	59.61	10
Total Intangibles	**154.61**	

The Group has a majority shareholding in Celeritifintech Limited, and is consolidating this entity in the Group accounts.

The Group owns a 49% interest in Celeritifintech Services Limited and is obligated to contribute ₹ 140.04 crores over a period of two years. As at 31 March, 2017, the Group has contributed ₹27.96 crores in cash. CSC has contributed right to exploit and sub license its core banking, cards, payments and default management solutions, and its existing business and customers in exchange for 51% interest.

Investment in Celeritifintech Services Limited is accounted on equity investment method as the Group has the ability to exercise significant influence over this entity.

v. **Point to Point (P2P)**

In January 2016, the Company through a subsidiary acquired 100% shares of Point to Point Limited and Point to Point Products Limited (jointly referred as Point to Point or P2P), UK's leading end-user cloud solutions design, implementation and delivery specialists.

Acquisition of P2P augments the Group's capability in virtualized desktop technologies such as Citrix, Microsoft and Lakeside.

The total purchase consideration is ₹ 66.48 crores out of which ₹0.06 crores is payable as at 31 March, 2017.

The purchase price of ₹ 66.48 crores has been allocated to the acquired assets and liabilities as follows:

	Amount
Net working capital	8.36
Property plant and equipment	0.55
Customer relationship	8.36
Customer contract	3.14
Brand	0.96
Goodwill	45.11
Total purchase consideration	**66.48**

The table below shows the values and lives of intangibles recognized on acquisition:-

	Amount	Life (Years)
Customer relationship	8.36	4.11
Customer contract	3.14	0.11
Brand	0.96	2.0
Total Intangibles	**12.46**	

The resultant goodwill is not tax deductible and has been allocated to the Infrastructure Services segment.

In addition to the purchase consideration, ₹ 18.29 crores is payable over two years from the closing date,of which ₹ 8.74 crores payable after one year is currently held in escrow account and is contingent upon the selling shareholders and certain key employees continuing to be the employees of the subsidiary on the payment date. This consideration is being accounted for as post acquisition employee compensation expense.

vi. **HCL Training and Staffing Services Private Limited (HCLTSS)**

In February 2016, the Company acquired 100% shares of HCLTSS for a total purchase consideration of ₹ 2.35 crores. The acquisition will enable the Group to supplement its capabilities in hiring of trained resources.

Purchase consideration of ₹ 2.35 crores has been allocated to net liabilities of ₹ 2.24 crores with the residual ₹ 4.59 crores allocated to goodwill. The resultant goodwill is not tax deductible and has been allocated to the Infrastructure Services segment.

vii. **IT Division of Volvo**

On 31 March, 2016, the Group acquired the IT divisions of Volvo IT AB (‘Volvo IT’), a subsidiary of AB Volvo, the holding company of the Volvo Group, providing IT services to the Volvo Group as well as non-Volvo Group customers.

This acquisition enables the Group to create a market leading position in the Nordics and France, gives it a differentiated offering in Mainframe services and provides it with significant domain capabilities to serve the Company’s global automotive and manufacturing customers.

Total purchase price for the acquisition was ₹ 895.52 crores which has been paid on 31 March, 2016.

The purchase price of ₹ 895.52 crores has been allocated to the acquired assets and liabilities as follows:

	Amount
Property plant and equipment	227.46
Customer relationship	55.59
Goodwill	612.47
Total purchase consideration	**895.52**

The resultant goodwill has been allocated to the Infrastructure services segment. Out of the total goodwill, ₹ 561.42 crores is tax deductible over the period of 10 years.

The table below shows the value and life of intangibles recognized on acquisition:-

	Amount	Life (Years)
Customer relationship	55.59	10.0
Total Intangibles	**55.59**	

Notes to financial statements for the year ended 31 March 2017
(All amounts in crores of ₹, except share data and as stated otherwise)

3. Notes to consolidated financial statements

3.1 Property, plant and equipment

The changes in the carrying value for the year ended 31 March 2017

	Freehold land	Buildings	Plant and equipment	Office Equipment	Computers	Furniture and fixtures	Vehicles		Total
							Owned	Leased	
Gross block as at 1 April 2016	**55.11**	**2,184.51**	**1,380.57**	**252.42**	**2,267.21**	**697.60**	**104.96**	**0.32**	**6,942.70**
Additions	-	371.48	145.38	22.98	533.65	40.40	30.62	-	**1,144.51**
Acquisitions through business combinations	-	29.85	6.25	3.18	5.34	6.69	-	-	**51.31**
Disposals	-	-	53.56	4.68	136.06	29.77	25.77	0.27	**250.11**
Translation exchange differences	(0.14)	(5.46)	(14.12)	(3.37)	(86.38)	(13.88)	-	-	**(123.35)**
Gross block as at 31 March 2017	**54.97**	**2,580.38**	**1,464.52**	**270.53**	**2,583.76**	**701.04**	**109.81**	**0.05**	**7,765.06**
Accumulated depreciation as at 1 April 2016	**-**	**420.21**	**756.34**	**194.11**	**1,421.74**	**504.09**	**50.56**	**0.27**	**3,347.32**
Charge for the year	-	119.84	104.11	21.68	315.00	42.08	20.99	-	**623.70**
Acquisitions through business combinations	-	-	(0.85)	-	0.01	(0.37)	-	-	**(1.21)**
Deduction / other adjustments	-	0.09	20.74	3.57	50.53	21.17	20.74	0.22	**117.06**
Translation exchange differences	-	(3.47)	(6.42)	(2.65)	(59.34)	(14.11)	-	-	**(85.99)**
Accumulated depreciation as at 31 March 2017	**-**	**536.49**	**832.44**	**209.57**	**1,626.88**	**510.52**	**50.81**	**0.05**	**3,766.76**
Net block as at 31 March 2017	**54.97**	**2,043.89**	**632.08**	**60.96**	**956.88**	**190.52**	**59.00**	**-**	**3,998.30**

Note:

Capital work in progress includes ₹ 26.58 crores interest on extended interest bearing suppliers credit and during the year ₹ 22.62 crores have been capitalised by the Company.

Notes to financial statements for the year ended 31 March 2017
(All amounts in crores of ₹, except share data and as stated otherwise)

The changes in the carrying value for the year ended 31 March 2016

	Freehold land	Buildings	Plant and equipment	Office Equipment	Computers	Furniture and fixtures	Vehicles		Total
							Owned	Leased	
Gross block as at 1 July 2015	**87.12**	**2,123.83**	**1,272.49**	**241.80**	**1,906.10**	**703.98**	**98.45**	**0.51**	**6,434.28**
Additions	-	77.21	83.84	23.14	326.83	53.66	20.61	-	**585.29**
Acquisitions through business combinations	-	-	61.21	0.66	178.74	6.30	0.49	-	**247.40**
Disposals	32.28	17.83	39.66	13.88	154.52	66.93	14.59	0.19	**339.88**
Translation exchange differences	0.27	1.30	2.69	0.70	10.06	0.59	-	-	**15.61**
Gross block as at 31 March 2016	**55.11**	**2,184.51**	**1,380.57**	**252.42**	**2,267.21**	**697.60**	**104.96**	**0.32**	**6,942.70**
Accumulated depreciation as at 1 July 2015	**-**	**352.38**	**720.17**	**189.96**	**1,422.81**	**534.72**	**45.75**	**0.43**	**3,266.22**
Charge for the year	-	80.95	63.06	15.38	142.59	28.15	15.32	-	**345.45**
Acquisitions through business combinations	-	-	5.94	-	0.20	0.44	0.02	-	**6.60**
Deduction / other adjustments	-	12.97	33.62	11.59	149.29	59.15	10.53	0.16	**277.31**
Translation exchange differences	-	(0.15)	0.79	0.36	5.43	(0.07)	-	-	**6.36**
Accumulated depreciation as at 31 March 2016	**-**	**420.21**	**756.34**	**194.11**	**1,421.74**	**504.09**	**50.56**	**0.27**	**3,347.32**
Net block as at 31 March 2016	**55.11**	**1,764.30**	**624.23**	**58.31**	**845.47**	**193.51**	**54.40**	**0.05**	**3,595.38**
Net block as at 1 July 2015	**87.12**	**1,771.45**	**552.32**	**51.84**	**483.29**	**169.26**	**52.70**	**0.08**	**3,168.06**

Note:

Capital work in progress includes ₹ 38.78 crores interest on extended interest bearing suppliers credit and during the year ₹ 12.00 crores have been capitalised by the Company.

3.2 Goodwill

The changes in the carrying value of goodwill balances by reportable segment, for the year ended 31 March 2017

	Software Services	Infrastructure services	Business process outsourcing services	Total
Opening balance as at 1 April 2016	4,948.65	662.17	164.50	5,775.32
Acquisitions through business combinations				
Business of Geometric Limited	781.02	-	-	781.02
Butler America Aerospace, LLC	367.22	-	-	367.22
Effect of exchange rate changes	(349.41)	(64.77)	(5.00)	(419.18)
Closing balance as at 31 March 2017	**5,747.48**	**597.40**	**159.50**	**6,504.38**

Notes to financial statements for the year ended 31 March 2017
(All amounts in crores of ₹, except share data and as stated otherwise)

The changes in the carrying value of goodwill balances by reportable segment, for the year ended 31 March 2016

	Software Services	Infrastructure services	Business process outsourcing services	Total
Opening balance as at 1 July 2015	4,641.95	-	161.81	4,803.76
Acquisitions through arrangements / business combinations				
Trygstad Technical Services, Inc.	53.98	-	-	53.98
Concept to Silicon Systems (C2SiS)	7.88	-	-	7.88
Powerteam LLC	163.74	-	-	163.74
CeleritiFintech Limited (CSC)	61.34	-	-	61.34
HCL Training and Staffing Services Pvt. Ltd.	-	4.59	-	4.59
Point to Point (P2P)	-	45.11	-	45.11
IT divisions of Volvo IT	-	612.47	-	612.47
Effect of exchange rate changes	19.76	-	2.69	22.45
Closing balance as at 31 March 2016	**4,948.65**	**662.17**	**164.50**	**5,775.32**

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the cash generating units (CGU) , which benefit from the synergies of the acquisition.

Goodwill is tested for impairment at least annually. Impairment is recognised, if present value of future the cash flows is less than the carrying value of goodwill. Future cash flows are forecast for 5 years & then on perpetuity on the basis of certain assumptions which includes revenue growth, earnings before interest and taxes, taxes, capital outflow and working capital requirement. The assumptions are taken on the basis of past trends and management estimates and judgement. Future cash flows are discounted with “Weighted Average Cost of Capital”. The key assumptions are as follows:

	As at		
	31 Mar 2017	31 Mar 2016	1 July 2015
Terminal growth rate (%)	5	5	5
Discount rate (%)	10.40	10.40	11.20

As at 31 March, 2017 , 31 March 2016 and 1 July, 2015 the estimated recoverable amount of the CGU exceeded its carrying amount and accordingly, no impairment was recognized.

3.3 Other intangible assets

The changes in the carrying value for the year ended 31 March 2017

	Software	Licensed IPRs (refer note below)	Customer relationships	Customer contracts	Technology	Intellectual property rights	Non-compete agreements	Total
Gross block as at 1 April 2016	**745.85**	**-**	**170.23**	**13.14**	**113.91**	**5.60**	**-**	**1,048.73**
Additions	195.77	4,255.34	-	-	-	-	-	**4,451.11**
Acquisitions through business combinations	8.44	-	236.14	32.01	2.09	6.50	3.44	**288.62**
Disposals	0.81	-	-	-	-	-	-	**0.81**
Translation exchange differences	(20.88)	-	(17.02)	(0.90)	(17.47)	0.19	-	**(56.08)**
Gross block as at 31 March 2017	**928.37**	**4,255.34**	**389.35**	**44.25**	**98.53**	**12.29**	**3.44**	**5,731.57**
Accumulated depreciation as at 1 April 2016	**676.18**	**-**	**4.96**	**8.21**	**13.27**	**0.72**	**-**	**703.34**
Charge for the year	93.52	27.62	41.35	30.29	7.36	4.15	0.14	**204.43**
Acquisitions through business combinations	-	-	-	-	-	-	-	**-**
Deduction / other adjustments	0.42	(116.03)	-	-	-	-	-	**(115.61)**
Translation exchange differences	(20.79)	(0.15)	(2.59)	0.74	(2.19)	(0.13)	-	**(25.11)**
Accumulated depreciation as at 31 March 2017	**748.49**	**143.50**	**43.72**	**39.24**	**18.44**	**4.74**	**0.14**	**998.27**
Net block as at 31 March 2017	**179.88**	**4,111.84**	**345.63**	**5.01**	**80.09**	**7.55**	**3.30**	**4,733.30**

Note:-
Deduction / other adjustments includes ₹ 116.03 crores reported as reduction in revenue.

Notes to financial statements for the year ended 31 March 2017
(All amounts in crores of ₹, except share data and as stated otherwise)

The changes in the carrying value for the year ended 31 March 2016

	Software	Licensed IPRs	Customer relationships	Customer contracts	Technology	Intellectual property rights	Non-compete agreements	Total
Gross block as at 1 July 2015	**704.06**	**-**	**-**	**-**	**18.82**	**-**	**-**	**722.88**
Additions	46.54	-	59.61	-	95.00	-	-	**201.15**
Acquisitions through business combinations	1.00	-	110.62	13.14	-	5.60	-	**130.36**
Disposals	7.76	-	-	-	-	-	-	**7.76**
Translation exchange differences	2.01	-	-	-	0.09	-	-	**2.10**
Gross block as at 31 March 2016	**745.85**	**-**	**170.23**	**13.14**	**113.91**	**5.60**	**-**	**1,048.73**
Accumulated depreciation as at 1 July 2015	**632.66**	**-**	**-**	**-**	**11.45**	**-**	**-**	**644.11**
Charge for the year	48.93	-	4.96	8.21	1.59	0.72	-	**64.41**
Acquisitions through business combinations	-	-	-	-	-	-	-	**-**
Deduction / other adjustments	6.97	-	-	-	-	-	-	**6.97**
Translation exchange differences	1.56	-	-	-	0.23	-	-	**1.79**
Accumulated depreciation as at 31 March 2016	**676.18**	**-**	**4.96**	**8.21**	**13.27**	**0.72**	**-**	**703.34**
Net block as at 31 March 2016	**69.67**	**-**	**165.27**	**4.93**	**100.64**	**4.88**	**-**	**345.39**
Net block as at 1 July 2015	**71.40**	**-**	**-**	**-**	**7.37**	**-**	**-**	**78.77**

3.4 Investments

	As at		
	31 Mar 2017	**31 Mar 2016**	**1 July 2015**
Investment in an associate			
14,820,000 equity shares (31 March 2016, 14,820,000 equity shares, 1 July 2015, Nil) of GBP 1 each fully paid up, in CeleritiFintech Services Limited (unquoted)	125.81	146.33	-
Financial assets			
Non - current			
Equity instruments carried at cost			
906,372 (31 March 2016, Nil, 1 July 2015, Nil) Series C Preferred stock of $0.0001 par value per share fully paid up, in Moogsoft (Herd), Inc. (unquoted)	11.21	-	-
Carried at fair value through profit and loss			
Morado Venture Partners II, L.P.	22.24	14.26	10.18
Add: Share of profit (loss) in limited liability partnership	0.80	1.32	(0.31)
	23.04	15.58	9.87
	34.25	**15.58**	**9.87**
Current			
Carried at fair value through profit and loss			
Investment in mutual funds	1,145.67	536.47	767.46
	1,145.67	**536.47**	**767.46**

Notes to financial statements for the year ended 31 March 2017
(All amounts in crores of ₹, except share data and as stated otherwise)

3.5 Financial assets - Loans

	As at		
	31 Mar 2017	**31 Mar 2016**	**1 July 2015**
Non - current			
Carried at amortized cost			
Unsecured , considered good			
Loans to employees	0.07	15.00	15.01
	0.07	**15.00**	**15.01**
Current			
Carried at amortized cost			
Unsecured , considered good			
Others			
Inter corporate deposits with HDFC Limited	2,499.51	1,985.40	1,193.00
Entrusted loan receivable (refer note 3.36)	7.53	25.64	25.66
Loans to employees	21.12	38.98	3.45
	2,528.16	**2,050.02**	**1,222.11**

3.6 Other financial assets

	As at		
	31 Mar 2017	**31 Mar 2016**	**1 July 2015**
Non - current			
Carried at amortized cost			
Bank deposits with more than 12 months maturity (refer note 1 below)	2.42	0.22	0.09
Interest receivable	0.04	-	-
Finance lease receivables [refer note 3.28(iii)]	273.76	331.59	279.99
Security deposits	66.37	62.85	72.82
Security deposits - related parties (refer note 3.32)	12.85	-	-
Other receivable	222.89	276.77	277.31
	578.33	671.43	630.21
Carried at fair value through other comprehensive income			
Unrealized gain on derivative financial instruments (refer note 3.29(a))	131.24	13.11	0.61
	709.57	**684.54**	**630.82**
Current			
Carried at amortized cost			
Unbilled revenue	2,500.45	2,993.68	2,907.20
Unbilled revenue-related parties (refer note 3.32)	0.66	1.76	9.50
Interest receivable	64.88	105.68	100.42
Security deposits	53.90	56.01	40.47
Finance lease receivables [refer note 3.28(iii)]	264.69	233.14	175.10
Other receivable	54.98	-	-
	2,939.56	3,390.27	3,232.69
Carried at fair value through other comprehensive income			
Unrealized gain on derivative financial instruments (refer note 3.29(a))	457.45	41.72	12.34
Carried at fair value through profit and loss			
Unrealized gain on derivative financial instruments (refer note 3.29(a))	10.23	11.50	8.03
	3,407.24	**3,443.49**	**3,253.06**

Note:-

1. Pledged with banks as security for guarantees ₹ 2.42 crores (31 March 2016, ₹ 0.22 crores, 1 July 2015, ₹ 0.09 crores)

Notes to financial statements for the year ended 31 March 2017
(All amounts in crores of ₹, except share data and as stated otherwise)

3.7 Other non- current assets

	As at		
	31 Mar 2017	31 Mar 2016	1 July 2015
Unsecured considered good unless otherwise stated			
Capital advances	56.48	47.91	28.53
Capital advances-related parties (refer note 3.32)	0.02	1.00	-
Advances other than capital advances			
Security deposits	38.81	35.54	32.64
Advance to suppliers	-	85.75	85.75
Others			
Prepaid expenses	211.16	174.33	142.46
Prepaid rentals for leasehold land	288.99	254.46	255.08
Prepaid expenses - related parties (refer note 3.32)	-	0.05	0.05
Deferred cost	498.73	760.33	758.00
	1,094.19	**1,359.37**	**1,302.51**

3.8 Inventories

	As at		
	31 Mar 2017	31 Mar 2016	1 July 2015
Stock-in-trade [including in transit ₹ 0.10 crores (31 March 2016, ₹ 0.58 crores, 1 July 2015, ₹ 24.49 crores)]	275.58	264.48	155.73
Stores and spares	-	-	1.88
	275.58	**264.48**	**157.61**

3.9 Trade receivables

	As at		
	31 Mar 2017	31 Mar 2016	1 July 2015
Unsecured considered good	8,301.26	7,721.14	6,563.04
Unsecured considered doubtful	295.62	375.17	282.64
	8,596.88	**8,096.31**	**6,845.68**
Provision for doubtful receivables	(295.62)	(375.17)	(282.64)
	8,301.26	**7,721.14**	**6,563.04**

Note:-

1. Includes receivables from related parties amounting to ₹ 6.01 crores (31 March 2016, ₹ 14.02 crores, 1 July 2015, ₹ 151.30 crores)

3.10 Cash and bank balances

	As at		
	31 Mar 2017	31 Mar 2016	1 July 2015
(a) Cash and cash equivalent			
Balance with banks			
- in current accounts	1,141.09	557.65	1,157.10
- deposits with original maturity of less than 3 months	111.47	117.38	20.73
Cheques in hand	15.12	13.92	55.71
Remittances in transit	49.11	40.56	119.28
Unclaimed dividend account	4.34	3.40	2.99
	1,321.13	**732.91**	**1,355.81**
(b) Other bank balances			
Deposits with remaining maturity of more than 3 months but up to 12 months (refer note 1 below)	7,722.71	8,601.69	8,476.55
	9,043.84	**9,334.60**	**9,832.36**

Note:-

1. Pledged with banks as security for guarantees ₹ 2.89 crores (31 March 2016, ₹ 0.22 crores, 1 July 2015, ₹ 0.11 crores)

Notes to financial statements for the year ended 31 March 2017
(All amounts in crores of ₹, except share data and as stated otherwise)

3.11 Other current assets

	As at		
	31 Mar 2017	31 Mar 2016	1 July 2015
Unsecured, considered good			
Advances other than capital advances			
Security deposits	33.56	45.63	8.33
Security deposits - related parties (refer note 3.32)	-	0.45	0.45
Advances to related parties (refer note 3.32)	1.47	0.78	0.94
Advances to employees	51.72	80.89	70.90
Advances to suppliers	88.86	54.60	49.72
Others			
Deferred cost	513.91	526.18	515.79
Prepaid expenses	605.62	492.26	344.52
Prepaid rentals for leasehold land	3.49	3.07	2.99
Prepaid expenses - related parties (refer note 3.32)	0.17	1.40	1.86
Advance tax (refundable)	73.86	87.66	68.50
Service tax receivable	113.75	69.48	67.24
Other advances	281.62	269.10	209.67
	1,768.03	1,631.50	1,340.91
Unsecured , considered doubtful			
Advances other than capital advances			
Advances to employees	49.14	40.79	49.46
Other advances	10.25	6.69	7.02
Less: provision for doubtful advances	(59.39)	(47.48)	(56.48)
	-	-	-
	1,768.03	**1,631.50**	**1,340.91**

3.12 Share capital

	As at		
	31 March 2017	31 March 2016	1 July 2015
Authorized 1,500,000,000 (31 March 2016, 1,500,000,000, 1 July 2015, 1,500,000,000) equity shares of ₹ 2 each	300.00	300.00	300.00
Issued, subscribed and fully paid up 1,426,783,424 (31 March 2016, 1,410,381,314, 1 July 2015, 1,405,978,418) equity shares ₹ 2 each	285.36	282.08	281.20

Terms / rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of ₹ 2 / -. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes to financial statements for the year ended 31 March 2017
(All amounts in crores of ₹, except share data and as stated otherwise)

Reconciliation of the number of share outstanding at the beginning and at the end of the financial year

	As at			
	31 March 2017		31 March 2016	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
Number of shares at the beginning	1,410,381,314	282.08	1,405,978,418	281.20
Add: Shares issued on exercise of employee stock options	838,680	0.17	4,402,896	0.88
Add: Shares issued on account of business combination (refer note 2)	15,563,430	3.11	-	-
Number of shares at the end	1,426,783,424	285.36	1,410,381,314	282.08

The Company does not have any holding / ultimate holding company.

Details of shareholders holding more than 5 % shares in the company:-

Name of the shareholder	As at					
	31 March 2017		31 March 2016		1 July 2015	
	No. of shares	% holding in the class	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	583,347,024	40.89%	600,097,024	42.55%	600,097,024	42.68%
HCL Holdings Private Limited	239,097,816	16.76%	239,097,816	16.95%	239,097,816	17.01%

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		
	31 March 2017	31 March 2016	1 July 2015
Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash.	15,573,555 Equity shares	10,125 Equity shares	10,125 Equity shares
Aggregate number and class of shares allotted as fully paid up by way of bonus shares.	702,847,961 Equity Shares	702,847,961 Equity Shares	702,847,961 Equity Shares
Aggregate number and class of shares bought back	Nil	Nil	Nil

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.

Capital management

The primary objective of the Group's capital management is to support business continuity and growth of the company while maximizing the shareholder value. The Group has been declaring quarterly dividend for last 14 years. The Group determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are generally met through operating cash flows generated.

Notes to financial statements for the year ended 31 March 2017
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Employee Stock Option Plan (ESOP)

The Company has provided share-based payment schemes to its employees. During the year ended 31 March 2017 and 2016, the following scheme was in operation:

	ESOP 2004
Maximum number of options under the plan	20,000,000
Method of settlement (cash / equity)	Equity
Vesting period (maximum)	96 months
Exercise period from the date of vesting (maximum)	5 years
Vesting conditions	Service period / Group performance

Each option granted under the above plan entitles the holder to eight equity shares (four equity shares prior to 1:1 bonus issue) of the Company at an exercise price, which is approved by the Nomination and Remuneration Committee.

The details of activity under the plan have been summarized below:-

ESOP 2004	Year ended			
	31 March 2017		31 March 2016	
	No. of options	Weighted average exercise price (₹)	No. of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	460,147	16.00	1,027,279	16.00
Add: Granted during the year	-	-	-	-
Less: Forfeited during the year	(152,610)	16.00	(15,570)	16.00
Exercised during the year	(104,835)	16.00	(550,362)	16.00
Expired during the year	(18,787)	16.00	(1,200)	16.00
Options outstanding at the end of the year *	**183,915**	**16.00**	**460,147**	**16.00**
Options exercisable at the end of the year	**176,715**		**300,337**	

The weighted average option price at the date of exercise for stock options exercised during the year was ₹ 6,220.41 (previous year ₹ 6,865.47)

* Total number of outstanding options includes 183,915 performance based options as on 31 March 2017 (421,590 as on 31 March 2016). 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 31 March 2017 is as below:

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 - 2004	₹ 16	183,915	2.46	16.00

The details of exercise price for stock options outstanding at the end of the year 31 March 2016 is as below:

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 - 2004	₹ 16	460,147	3.14	16.00

There are no options granted during the current year and previous year.

Notes to financial statements for the year ended 31 March 2017
(All amounts in crores of ₹, except share data and as stated otherwise)

3.13 Borrowings

	Non-current			Current		
	As at			As at		
	31 Mar 2017	31 Mar 2016	1 July 2015	31 Mar 2017	31 Mar 2016	1 July 2015
Long term borrowings						
Secured						
Term loans from banks (refer note 1 below)	31.64	28.45	27.56	13.83	13.67	13.58
Finance lease obligations (refer note 2 below)	27.65	18.09	80.06	19.31	99.10	99.12
Unsecured						
Term loans from banks (refer note 3 and 4 below)	308.44	675.20	58.00	102.81	19.19	10.11
Other loans (refer note 5 below)	14.91	15.66	2.27	8.04	6.56	1.58
Short term borrowings						
Secured						
Bank overdraft (refer note 6 below)	-	-	-	13.04	-	-
Unsecured						
Bank overdraft (refer note 6 below)	-	-	-	41.49	185.49	323.47
Entrusted Loan (refer note 3.36)	-	-	-	7.53	25.64	25.66
Other loans (refer note 7 below)	-	-	-	-	3.31	6.35
	382.64	**737.40**	**167.89**	**206.05**	**352.96**	**479.87**
Current maturities of long term borrowings disclosed under Note 3.14 "Other financial liabilities"	-	-	-	(143.99)	(138.52)	(124.39)
	382.64	**737.40**	**167.89**	**62.06**	**214.44**	**355.48**

Note:-

1. The Group has availed of term loans of ₹ 45.47 crores (31 March 2016, ₹ 42.12 crores, 1 July 2015, ₹ 41.14 crores) secured by hypothecation of gross block of vehicles of ₹ 101.46 crores (31 March 2016, ₹ 96.13 crores, 1 July 2015, ₹ 90.27 crores) at interest rates ranging from 9.15% p.a. to 10.50% p.a. The loans are repayable over a period of 3 to 5 years on a monthly basis.

2. The Finance lease obligations are secured against network equipment and vehicles acquired by the Group on finance lease at interest rates ranging from 1.56% p.a. to 3.25% p.a.

3. Unsecured long term loan from bank as at 31 March 2017 was ₹ Nil crores (31 March 2016, ₹ 19.19 crores, 1 July 2015, ₹ 68.11 crores). The loan at interest rate of 2.95% p.a. was repaid during the current year.

4. An unsecured long term loan of ₹ 411.25 crores (SEK 565.91 million) (31 March 2016, ₹ 675.20 crores, (SEK 825.91 million), 1 July 2015 Nil) borrowed by a subsidiary in Sweden from a bank at an interest rate of STIBOR + 1.15% p.a. (effective interest rate 0.67% p.a.) is repayable over sixteen quarterly instalments beginning from June 2017. During the year ended 31 March, 2017 the Group has made a prepayment of ₹ 188.94 crores.

5. The other loan of ₹ 22.95 crores represents long term loan taken for purchase of plant and equipment (31 March 2016, ₹ 22.22 crores, 1 July 2015 ₹ 3.85 crores) at interest rates of 0% p.a.. The loans are repayable till October 2020 on quarterly / yearly rest.

6. Current borrowings were primarily on account of bank overdrafts required for management of working capital. The Group has availed bank line of credit at interest rate ranging from 0.34% p.a. to 14.50% p.a. which is repayable on demand. Bank overdraft of ₹ 13.04 crores (31 March, 2016, Nil, 1 July 2015, Nil) is secured by hypothecation of receivables.

Notes to financial statements for the year ended 31 March 2017
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7. Other loan representing short term promissory note at effective interest rate of 4.10% p.a. as at 31 March 2017 was ₹ Nil (31 March 2016, ₹ 3.31 crores, 1 July 2015, ₹ 6.35 crores).

3.14 Other financial liabilities

	As at		
	31 Mar 2017	**31 Mar 2016**	**1 July 2015**
Non - current			
Carried at amortized cost			
Employee bonuses accrued	11.11	156.79	6.68
Carried at fair value through other comprehensive income			
Unrealized loss on derivative financial instruments (refer note 3.29(a))	-	17.91	37.74
Carried at fair value through profit and loss			
Deferred consideration (refer note 2)	14.09	36.23	-
	25.20	**210.93**	**44.42**
Current			
Carried at amortized cost			
Current maturities of long term borrowings	143.99	138.52	124.39
Interest accrued but not due on borrowings	0.02	0.03	0.02
Unclaimed dividends	4.34	3.40	2.99
Accrued salaries and benefits			
Employee bonuses accrued	842.14	750.45	1,007.13
Other employee costs	676.69	519.56	504.72
Others			
Liabilities for expenses	2,794.31	2,596.30	2,368.28
Liabilities for expenses-related parties (refer note 3.32)	115.20	129.81	7.87
Capital accounts payables [includes supplier credit ₹ 239.54 crores (31 March 2016, ₹ 366.39 crores, 1 July 2015, ₹ 488.17 crores)]	2,049.08	570.78	783.87
Capital accounts payables-related parties [includes supplier credit ₹ 0.13 crores (31 March 2016, ₹ 3.60 crores, 1 July 2015, ₹ 4.38 crores)] (refer note 3.32)	3.23	3.61	6.87
Supplier credit	836.26	1,059.42	1,041.28
Supplier credit-related parties (refer note 3.32)	18.47	13.17	9.54
Book overdraft	2.51	15.17	2.85
	7,486.24	5,800.22	5,859.81
Carried at fair value through other comprehensive income			
Unrealized loss on derivative financial instruments (refer note 3.29(a))	-	10.25	12.50
Carried at fair value through profit and loss			
Unrealized loss on derivative financial instruments (refer note 3.29(a))	32.15	2.16	3.42
Deferred consideration (refer note 2)	26.23	35.38	-
	58.38	37.54	3.42
	7,544.62	**5,848.01**	**5,875.73**

Notes to financial statements for the year ended 31 March 2017
(All amounts in crores of ₹, except share data and as stated otherwise)

3.15 Provisions

	As at		
	31 Mar 2017	31 Mar 2016	1 July 2015
Non - current			
Provision for employee benefits			
Provision for gratuity (refer note 3.31)	285.47	226.87	204.41
Provision for leave benefits	410.65	370.17	318.63
	696.12	**597.04**	**523.04**
Current			
Provision for employee benefits			
Provision for gratuity (refer note 3.31)	52.24	50.10	49.50
Provision for leave benefits	421.23	285.45	273.10
Provision for warranties	-	-	1.23
	473.47	**335.55**	**323.83**

3.16 Other non-current liabilities

	As at		
	31 Mar 2017	31 Mar 2016	1 July 2015
Revenue received in advance	175.65	333.43	549.24
Others	25.80	31.92	28.96
	201.45	**365.35**	**578.20**

3.17 Trade payables

	As at		
	31 Mar 2017	31 Mar 2016	1 July 2015
Trade payables	693.82	698.17	625.84
Trade payables-related parties (refer note 3.32)	106.80	5.30	0.77
	800.62	**703.47**	**626.61**

3.18 Other current liabilities

	As at		
	31 Mar 2017	31 Mar 2016	1 July 2015
Revenue received in advance	1,071.16	1,092.35	937.23
Revenue received in advance-related parties (refer note 3.32)	20.60	19.85	20.31
Other Advances			
Advances received from customers	70.73	44.47	59.51
Advances received from customers- related parties (refer note 3.32)	0.15	2.41	2.41
Others			
Withholding and other taxes payable	559.20	459.91	390.80
	1,721.84	**1,618.99**	**1,410.26**

3.19 Revenue from operations

	Year ended	
	31 Mar 2017 (Twelve months)	31 Mar 2016 (Nine months)
Sale of services	46,556.74	30,318.89
Sale of hardware and software	1,010.79	817.05
	47,567.53	**31,135.94**

Notes to financial statements for the year ended 31 March 2017
(All amounts in crores of ₹, except share data and as stated otherwise)

3.20 Other income

	Year ended	
	31 Mar 2017 (Twelve months)	**31 Mar 2016** (Nine months)
Interest income		
- On fixed deposits	784.82	648.14
- On financial assets carried at amortized cost	11.60	3.92
- Others	3.23	2.14
Income on investments carried at fair value through profit and loss		
- Dividend on mutual funds	5.58	-
- Gains on mutual funds	48.50	21.47
- Share of profit in limited liability partnership	0.80	1.32
Profit on sale of property, plant and equipments (refer note 1 below)	-	145.52
Exchange differences (net)	195.33	35.28
Miscellaneous income	23.46	8.34
	1,073.32	**866.13**

Note

1. Net of loss on sale of property, plant and equipment ₹ 0.56 crores in previous year

3.21 Changes in inventories of stock-in-trade

	Year ended	
	31 Mar 2017 (Twelve months)	**31 Mar 2016** (Nine months)
Opening stock	264.48	155.73
Closing stock	275.58	264.48
	(11.10)	**(108.75)**

3.22 Employee benefits expense

	Year ended	
	31 Mar 2017 (Twelve months)	**31 Mar 2016** (Nine months)
Salaries, wages and bonus	19,823.37	13,298.46
Contribution to provident fund and other employee funds	2,915.86	1,837.15
Staff welfare expenses	126.95	61.37
Share based payments to employees	-	6.27
	22,866.18	**15,203.25**

3.23 Finance cost

	Year ended	
	31 Mar 2017 (Twelve months)	**31 Mar 2016** (Nine months)
Interest		
- on loans from banks	18.51	7.63
- others	53.33	54.71
Bank charges	17.25	11.56
	89.09	**73.90**

Notes to financial statements for the year ended 31 March 2017
(All amounts in crores of ₹, except share data and as stated otherwise)

3.24 Other expenses

	Year ended	
	31 Mar 2017 (Twelve months)	**31 Mar 2016** (Nine months)
Rent	510.11	302.74
Power and fuel	307.45	210.53
Insurance	39.39	24.19
Repairs and maintenance		
- Plant and equipment	56.18	49.14
- Buildings	72.53	43.79
- Others	232.76	176.50
Communication costs	310.02	237.23
Books and periodicals	20.96	13.77
Travel and conveyance	1,629.58	1,254.06
Business promotion	66.85	40.09
Legal and professional charges	420.38	216.57
Software license fee	258.30	169.68
Software tools	27.26	20.72
License and transponder fee	30.87	20.83
Printing and stationery	24.79	17.24
Rates and taxes	78.92	86.15
Provision for doubtful advances / advances written off	19.81	5.83
Donations	1.42	0.78
CSR expenditure	41.11	13.48
Recruitment, training and development	173.68	138.16
Provision for doubtful debts / bad debts written off	8.23	91.15
Loss on sale of property, plant and equipments (refer note 1 below)	5.79	-
Miscellaneous expenses	499.93	428.39
	4,836.32	**3,561.02**

Note

1. Net of gain on sale of property, plant and equipment ₹ 5.49 crores

3.25 Income taxes

	Year ended	
	31 Mar 2017 (Twelve months)	**31 Mar 2016** (Nine months)
Income tax charged to statement of profit and loss		
Current income tax charge	1,885.38	1,663.50
Deferred tax charge (credit)	50.90	(224.50)
	1,936.28	**1,439.00**
Income tax charged to other comprehensive income		
Expense (benefit) on re-measurements of defined benefit plans	(1.28)	2.48
Expense (benefit) on revaluation of cash flow hedges	109.56	11.60
	108.28	**14.08**

Notes to financial statements for the year ended 31 March 2017
(All amounts in crores of ₹, except share data and as stated otherwise)

The reconciliation between the Group's provision for income tax and amount computed by applying the statutory income tax rate in India is as follows:

	Year ended	
	31 Mar 2017 (Twelve months)	**31 Mar 2016** (Nine months)
Profit before income tax	10,542.75	7,040.68
Statutory tax rate in India	34.61%	34.61%
Expected tax expense	3,648.85	2,436.78
Non-taxable export income	(1,374.85)	(935.52)
Non-taxable other income	(10.93)	(44.75)
Income taxed at a lower / higher rate	-	(27.42)
Additional provision created in books	20.61	5.37
Reversal of prior year provision	(333.54)	-
Differences between Indian and foreign tax rates	(26.41)	(1.50)
Employee stock compensation cost	3.33	(9.19)
Provision for deemed branch taxes	2.61	4.79
Others	6.61	10.44
Total taxes	**1,936.28**	**1,439.00**
Effective income tax rate	18.37%	20.44%

In India, the company has benefited from certain tax incentives that the Government of India has provided for the units situated in Special Economic Zones (SEZs) under the Special Economic Zone Act, 2005, which began providing services on or after April 1, 2005. The eligible units are eligible for a deduction of 100% of profits or gains derived from the export of services for the first five years from commencement of provision of services and 50% of such profits and gains for a further five years. Certain tax benefits are also available for a further five years subject to the unit meeting defined conditions. The aforesaid tax benefits will not be available to Units commencing operations on or after April 1, 2020.

The Company and its subsidiaries in India are subject to Minimum Alternate Tax (MAT) on its book profits, which gives rise to future economic benefits in the form of adjustment of future income tax liability. MAT paid for a year can be set-off against the normal tax liability within fifteen subsequent years, expiring between the years 2023 to 2032.

Components of deferred tax assets and liabilities as on 31 March 2017

	Opening balance	Recognized in profit and loss	Recognised in / reclassified from OCI	Acquisitions	Recognized directly in equity and against tax liability	Exchange difference	Closing balance
Deferred tax assets							
Business losses	58.24	(23.01)	-	8.21	-	(0.66)	42.78
MAT credit entitlement	973.25	185.64	-	-	-	-	1,158.89
Provision for doubtful debts	119.53	(38.66)	-	3.47	-	-	84.34
Accrued employee costs	447.10	43.51	1.28	-	-	(7.51)	484.38
Unrealized loss on derivative financial instruments	-	-	-	-	-	-	-
Depreciation and amortization	25.46	(20.46)	-	0.22	-	-	5.22
Employee stock compensation	33.53	(3.33)	-	-	(6.48)	-	23.72
Others	229.94	(68.29)	-	3.41	-	(2.57)	162.49
Gross deferred tax assets (A)	1,887.05	75.40	1.28	15.31	(6.48)	(10.74)	1,961.82
Deferred tax liabilities							
Depreciation and amortization	30.21	50.27	-	-	-	-	80.48
Unrealized gain on derivative financial instruments	1.89	(2.20)	109.56	-	-	-	109.25

Notes to financial statements for the year ended 31 March 2017
(All amounts in crores of ₹, except share data and as stated otherwise)

	Opening balance	Recognized in profit and loss	Recognised in / reclassified from OCI	Acquisitions	Recognized directly in equity and against tax liability	Exchange difference	Closing balance
Intangibles	9.65	13.83	-	-	-	(0.36)	23.12
Others	34.21	64.40	-	-	-	(1.49)	97.12
Gross deferred tax liabilities (B)	75.96	126.30	109.56	-	-	(1.85)	309.97
Net deferred tax assets (A-B)	1,811.09	(50.90)	(108.28)	15.31	(6.48)	(8.89)	1,651.85

Components of deferred tax assets and liabilities as on 31 March 2016

	Opening balance	Recognized in profit and loss	Recognised in / reclassified from OCI	Acquisitions	Recognized directly in equity and against tax liability	Exchange difference	Closing balance
Deferred tax assets							
Business losses	42.71	15.15	-	-	-	0.38	58.24
MAT credit entitlement	782.88	190.37	-	-	-	-	973.25
Provision for doubtful debts	96.01	22.73	-	-	-	0.79	119.53
Accrued employee costs	403.94	42.70	(2.48)	-	-	2.94	447.10
Unrealized loss on derivative financial instruments	9.71	-	(9.71)	-	-	-	-
Depreciation and amortization	46.89	(21.60)	-	-	-	0.17	25.46
Employee stock compensation	95.72	(11.53)	-	-	(50.66)	-	33.53
Others	215.04	13.38	-	-	-	1.52	229.94
Gross deferred tax assets (A)	1,692.90	251.20	(12.19)	-	(50.66)	5.80	1,887.05
Deferred tax liabilities							
Depreciation and amortization	8.51	21.50	-	-	-	0.20	30.21
Unrealized gain on derivative financial instruments	-	-	1.89	-	-	-	1.89
Intangibles	-	9.59	-	-	-	0.06	9.65
Others	38.37	(4.39)	-	-	-	0.23	34.21
Gross deferred tax liabilities (B)	46.88	26.70	1.89	-		0.49	75.96
Net deferred tax assets (A-B)	1,646.02	224.50	(14.08)	-	(50.66)	5.31	1,811.09

The Company's subsidiaries have recognized deferred tax assets on such portion of the carry forward business losses which can be utilized against profits within the limit and carryover period permitted under laws of respective jurisdictions.

Undistributed earnings of the subsidiaries aggregate approximately ₹ 6,709.37 crores (31 March, 2017), ₹ 4,942.50 crores (31 March, 2016) and ₹ 4,011.07 crores (1 July, 2015). The Group has the intent to reinvest the undistributed foreign earning indefinitely in its significant overseas operations and consequently did not record a deferred tax liability on the undistributed earnings.

The amount of deferred tax asset primarily related to MAT credit entitlements and timing differences not recognised in the balance sheet with year of expiry is as below:

Year ending 31 March ,	Amount
- 2018	-
- 2019	-
- 2020	-
- 2021	-
- 2022	-
- Thereafter	115.65

Notes to financial statements for the year ended 31 March 2017
(All amounts in crores of ₹, except share data and as stated otherwise)

3.26 Components of other comprehensive income attributable to shareholders of the Company

	For the year ended	
	31 March 2017	31 March 2016
A. Items that will not be reclassified to statement of profit and loss		
Retained earnings (Actuarial gain (loss) relating to defined benefit plan)		
Opening balance (net of tax)	8.79	-
Actuarial gains (losses)	(6.55)	11.27
Income tax benefit (expense)	1.28	(2.48)
Closing balance (net of tax)	3.52	8.79
B. Items that will be reclassified subsequently to statement of profit and loss		
Foreign currency translation reserve		
Opening balance	1,503.88	1,433.68
Foreign currency translation	(695.03)	70.20
Reclassification adjustments into other (income) expense, net	-	-
Closing balance	808.85	1,503.88
Cash flow hedging reserve		
Opening balance (net of tax)	8.09	(40.68)
Unrealized gains (losses)	676.54	30.32
Business combination	1.47	-
Reclassification adjustments into other (income) expense, net	(131.37)	30.05
Income tax benefit (expense)	(109.56)	(11.60)
Closing balance (net of tax)	445.17	8.09
TOTAL (B)	**1,254.02**	**1,511.97**

3.27 Earnings Per Share

The computation of earnings per share is as follows:

	Year ended	
	31 March 2017	31 March 2016
	(Twelve months)	(Nine months)
Net profit as per statement of profit and loss for computation of EPS	8,606.33	5,602.43
Weighted average number of equity shares outstanding in calculating Basic EPS	1,426,496,539	1,407,845,713
Dilutive effect of stock options outstanding	1,467,621	3,672,800
Weighted average number of equity shares outstanding in calculating dilutive EPS	1,427,964,160	1,411,518,513
Nominal value of equity shares (in ₹)	2.00	2.00
Earnings per equity share (in ₹)		
- Basic	60.33	39.79
- Diluted	60.27	39.69

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3.28 Leases

i) Finance lease: In case of assets taken on lease

The Group has acquired IT 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	Interest included in minimum lease payments	Present value of minimum lease payments
As on 31 March 2017			
Not later than one year	20.34	1.03	19.31
Later than one year and not later than 5 years	28.39	0.74	27.65
	48.73	**1.77**	**46.96**
As on 31 March 2016			
Not later than one year	100.95	1.85	99.10
Later than one year and not later than 5 years	18.18	0.09	18.09
	119.13	**1.94**	**117.19**
As on 1 July 2015			
Not later than one year	102.50	3.38	99.12
Later than one year and not later than 5 years	81.08	1.02	80.06
	183.58	**4.40**	**179.18**

ii) Operating lease

The Group's significant leasing arrangements are in respect of operating leases for office spaces and accommodation for its employees. The aggregate lease rental expense recognized in the statement of profit and loss for the year amounts to ₹ 510.11 crores [Previous year (nine months) ₹ 302.74 crores].

The lease equalization reserve amount for non-cancellable operating lease payable in future years and accounted for by the Group is ₹ 117.11 crores (31 March 2016, ₹ 121.91 crores) (1 July 2015, ₹ 145.60 crores). Future minimum lease payments and the payment profile of non-cancellable operating leases are as follows:

	Year ended		
	31 March 2017	**31 March 2016**	**1 July 2015**
Not later than one year	357.60	357.76	368.06
Later than one year and not later than 5 years	839.31	881.34	1,013.50
Later than five years	405.95	456.55	733.18
	1,602.86	**1,695.65**	**2,114.74**

Notes to financial statements for the year ended 31 March 2017
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iii) Finance Lease: In case of assets given on lease

The Group has given IT 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	Interest included in minimum lease payments receivable	Present value of minimum lease payments receivable
As on 31 March 2017			
Not later than one year	291.01	26.32	264.69
Later than one year and not later than 5 years	265.09	24.51	240.58
Later than 5 years	38.56	5.38	33.18
	594.66	56.21	538.45
As on 31 March 2016			
Not later than one year	280.29	47.15	233.14
Later than one year and not later than 5 years	363.88	35.71	328.17
Later than 5 years	3.67	0.25	3.42
	647.84	83.11	564.73
As on 1 July 2015			
Not later than one year	203.11	28.01	175.10
Later than one year and not later than 5 years	291.02	32.41	258.61
Later than 5 years	25.66	4.28	21.38
	519.79	64.70	455.09

3.29 Financial instruments

(a) Derivatives

The Group is exposed to foreign currency fluctuations on foreign currency assets / liabilities and forecast cash flows denominated in foreign currency. The use of derivatives to hedge foreign currency forecast cash flows is governed by the Group's strategy, which provides principles on the use of such forward contracts and currency options consistent with the Group's Risk Management Policy. The counter party in these derivative instruments is a bank and the Group considers the risks of non-performance by the counter party as insignificant. The Group has entered into a series of foreign exchange forward contracts that are designated as cash flow hedges and the related forecasted transactions extend through January 2019. The Group does not use forward covers and currency options for speculative purposes.

The following table presents the aggregate notional principal amounts of the outstanding derivative forward covers together with the related balance sheet exposure:

Foreign exchange forward denominated in	Notional Currency	Notional principal amounts (amount in thousands)			Balance sheet exposure Asset (Liability) (₹)		
		31 March 2017	31 March 2016	1 July 2015	31 March 2017	31 March 2016	1 July 2015
Sell covers							
USD / INR	USD	100,874	275,250	498,660	35.21	(46.82)	(71.76)
GBP / INR	GBP	2,750	2,816	1,000	-	(0.12)	(0.39)
EURO / INR	EUR	6,538	2,000	12,500	5.27	2.22	13.30
CHF / INR	CHF	14,750	9,599	1,000	11.82	0.57	0.11
SEK / INR	SEK	60,000	108,000	15,000	3.04	(0.76)	0.29
AUD / INR	AUD	14,000	4,350	-	2.95	(0.06)	-

Notes to financial statements for the year ended 31 March 2017
(All amounts in crores of ₹, except share data and as stated otherwise)

Foreign exchange forward denominated in	Notional Currency	Notional principal amounts (amount in thousands)			Balance sheet exposure Asset (Liability) (₹)		
		31 March 2017	31 March 2016	1 July 2015	31 March 2017	31 March 2016	1 July 2015
NOK / INR	NOK	155,000	37,000	-	10.63	(0.17)	-
EURO / USD	EUR	77,500	10,950	37,611	0.80	(1.29)	(0.38)
GBP / USD	GBP	-	-	11,000	-	-	0.47
NOK / USD	NOK	51,000	-	146,000	0.02	-	0.38
MXN / USD	MXN	124,000	70,000	66,000	(2.26)	(0.65)	0.46
JPY / USD	JPY	-	-	300,000	-	-	(0.17)
RUB / USD	RUB	32,000	100,000	185,000	(0.15)	(0.58)	0.18
AUD / USD	AUD	-	-	12,770	-	-	0.28
CHF / USD	CHF	4,600	370	11,050	0.22	(0.01)	(0.48)
ZAR / USD	ZAR	-	112,000	122,000	-	(1.77)	0.26
SEK / USD	SEK	27,350	13,880	55,373	(0.02)	(0.42)	(0.95)
CNY / USD	CNY	23,500	105,000	-	(0.08)	(0.99)	-
Buy covers							
USD / INR	USD	96,875	-	-	(33.44)	-	-
JPY / USD	JPY	350,000	510,000	-	0.08	0.35	-
SEK / USD	SEK	167,000	-	17,000	0.74	-	0.02
CAD / USD	CAD	25,500	19,000	12,500	(0.47)	3.99	(0.50)
MYR / USD	MYR	59,000	26,000	16,000	0.08	2.97	(0.63)
GBP / USD	GBP	73,630	13,380	29,930	2.55	1.77	4.14
AUD / USD	AUD	4,600	-	-	(0.07)	-	-
CHF / USD	CHF	1,000	1,000	5,000	0.03	0.06	(0.12)
DKK / USD	DKK	38,000	16,000	-	(0.16)	0.16	-
SGD / USD	SGD	23,600	1,000	4,400	1.32	0.20	(0.28)
					38.11	**(41.35)**	**(55.77)**

The following table presents the aggregate notional principal amounts of the outstanding forward options together with the related balance sheet exposure:

	Notional Currency	Notional principal amounts (amount in thousands)			Balance sheet exposure Asset (Liability) (₹)		
		31 March 2017	31 March 2016	1 July 2015	31 March 2017	31 March 2016	1 July 2015
Range Forward							
USD / INR	USD	844,290	481,955	524,230	338.08	48.36	23.60
GBP / INR	GBP	96,820	36,920	54,350	90.66	28.57	(5.36)
EURO / INR	EUR	116,400	82,300	93,240	91.01	1.43	2.15
AUD / INR	AUD	38,960	25,950	13,800	7.96	(2.10)	2.01
CHF / INR	CHF	-	1,235	-	-	0.10	-
PUT							
USD / INR	USD	-	24,000	2,000	-	0.31	0.14
Seagull							
USD / INR	USD	-	8,000	28,600	-	0.98	0.73
EURO / INR	EUR	11,170	4,000	4,300	0.95	(0.29)	(0.18)
					528.66	**77.36**	**23.09**

The notional amount is a key element of derivative financial instrument agreements. However, notional amounts do not represent the amount exchanged by counter parties and do not measure the Group's exposure to credit risk as these contracts are settled at their fair values at the maturity date.

The balance sheet exposure denotes the fair values of these contracts at the reporting date and is presented in ₹ crores. The Group presents its foreign exchange derivative instruments on a net basis in the consolidated financial statements due to the right of offset by its individual counter parties under master netting agreements.

The fair value of the derivative instruments presented on a gross basis as at each date indicated below is as follows:

	As at 31 March 2017				
	Financial assets		Financial liabilities		Total fair value
	Current	Non current	Current	Non current	
Derivatives designated as hedging instruments					
Foreign exchange contracts in an asset position	457.45	131.24	-	-	588.69
Foreign exchange contracts in an liability position	-	-	-	-	-
Net asset (liability)	457.45	131.24	-	-	588.69
Derivatives not designated as hedging instruments					
Foreign exchange contracts in an asset position	17.17	-	6.94	-	24.11
Foreign exchange contracts in an liability position	(6.94)	-	(39.09)	-	(46.03)
Net asset (liability)	10.23	-	(32.15)	-	(21.92)
Total Derivatives at fair value	**467.68**	**131.24**	**(32.15)**	**-**	**566.77**

	As at 31 March 2016				
	Financial assets		Financial liabilities		Total fair value
	Current	Non current	Current	Non current	
Derivatives designated as hedging instruments					
Foreign exchange contracts in an asset position	70.96	14.48	29.24	1.37	116.05
Foreign exchange contracts in an liability position	(29.24)	(1.37)	(39.49)	(19.28)	(89.38)
Net asset (liability)	41.72	13.11	(10.25)	(17.91)	26.67
Derivatives not designated as hedging instruments					
Foreign exchange contracts in an asset position	16.60	-	5.10	-	21.70
Foreign exchange contracts in an liability position	(5.10)	-	(7.26)	-	(12.36)
Net asset (liability)	11.50	-	(2.16)	-	9.34
Total Derivatives at fair value	**53.22**	**13.11**	**(12.41)**	**(17.91)**	**36.01**

	As at 1 July 2015				
	Financial assets		Financial liabilities		Total fair value
	Current	Non current	Current	Non current	
Derivatives designated as hedging instruments					
Foreign exchange contracts in an asset position	50.68	2.24	38.34	1.63	92.89
Foreign exchange contracts in an liability position	(38.34)	(1.63)	(50.84)	(39.37)	(130.18)
Net asset (liability)	12.34	0.61	(12.50)	(37.74)	(37.29)
Derivatives not designated as hedging instruments					
Foreign exchange contracts in an asset position	17.81	-	9.78	-	27.59
Foreign exchange contracts in an liability position	(9.78)	-	(13.20)	-	(22.98)
Net asset (liability)	8.03	-	(3.42)	-	4.61
Total Derivatives at fair value	**20.37**	**0.61**	**(15.92)**	**(37.74)**	**(32.68)**

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

The following tables set forth the fair value of derivative instruments included in the consolidated balance sheets as at each date indicated:

	As at		
	31 March 2017	**31 March 2016**	**1 July 2015**
Derivatives designated as hedging instruments			
Unrealized gain on financial instruments classified under current assets	457.45	41.72	12.34
Unrealized gain on financial instruments classified under non-current assets	131.24	13.11	0.61
Unrealized loss on financial instruments classified under current liabilities	-	(10.25)	(12.50)
Unrealized loss on financial instruments classified under non-current liabilities	-	(17.91)	(37.74)
	588.69	26.67	(37.29)
Derivatives not designated as hedging instruments			
Unrealized gain on financial instruments classified under current assets	10.23	11.50	8.03
Unrealized loss on financial instruments classified under current liabilities	(32.15)	(2.16)	(3.42)
	(21.92)	9.34	4.61

Maturity profile of derivative liabilities based on contractual payments is as below:

	As at		
	31 March 2017	**31 March 2016**	**1 July 2015**
Within one year	32.15	12.41	15.92
One to two years	-	17.64	29.69
Two to three years	-	0.27	8.05
	32.15	30.32	53.66

The following table summarizes the activities in the consolidated statement of profit and loss:

	Year ended	
	31 March 2017	**31 March 2016**
Derivatives in hedging relationships		
Effective portion of gain or (loss) recognized in OCI on derivatives	676.54	30.32
Effective portion of gain or (loss) reclassified from OCI into statement of profit and loss as "exchange differences"	131.37	(30.05)
Ineffective portion of gain or (loss) reclassified from OCI into statement of profit and loss as "exchange differences"	-	-
Derivatives not in hedging relationships		
Gain or (loss) recognized into statement of profit and loss as "exchange differences"	3.00	13.28

The following table summarizes the activity in the accumulated ‘Other comprehensive income’ within equity related to all derivatives classified as cash flow hedges:

	Year ended	
	31 March 2017	**31 March 2016**
(Loss) gain as at the beginning of the year	9.98	(50.39)
Unrealized gain on cash flow hedging derivatives during the year	676.54	30.32
Business combination	1.47	-
Net loss (gain) reclassified into net income on occurrence of hedged transactions	(131.37)	30.05
Gain as at the end of the year	556.62	9.98
Deferred tax	(111.45)	(1.89)
Cash flow hedging reserve (net of tax)	445.17	8.09

Notes to financial statements for the year ended 31 March 2017
(All amounts in crores of ₹, except share data and as stated otherwise)

The estimated net amount of existing gain that is expected to be reclassified into the statement of profit and loss within the next twelve months is ₹ 435.05 crores (Previous year loss of ₹ 18.16 crores).

(b) Financial assets and liabilities

The carrying value of financial instruments by categories as at 31 March, 2017 is as follows:

	Fair value through profit and loss	Fair value through other comprehensive income	Amortized cost	Total carrying value
Financial assets				
Investments	1,168.71	-	11.21	1,179.92
Trade receivables	-	-	8,301.26	8,301.26
Cash and cash equivalents	-	-	1,321.13	1,321.13
Other bank balances	-	-	7,722.71	7,722.71
Loans	-	-	2,528.23	2,528.23
Others (refer note 3.6)	10.23	588.69	3,517.89	4,116.81
Total	1,178.94	588.69	23,402.43	25,170.06
Financial liabilities				
Borrowings	-	-	444.70	444.70
Trade payables	-	-	800.62	800.62
Others (refer note 3.14)	72.47	-	7,497.35	7,569.82
Total	72.47	-	8,742.67	8,815.14

The carrying value of financial instruments by categories as at 31 March, 2016 is as follows:

	Fair value through profit and loss	Fair value through other comprehensive income	Amortized cost	Total carrying value
Financial assets				
Investments	552.05	-	-	552.05
Trade receivables	-	-	7,721.14	7,721.14
Cash and cash equivalents	-	-	732.91	732.91
Other bank balances	-	-	8,601.69	8,601.69
Loans	-	-	2,065.02	2,065.02
Others (refer note 3.6)	11.50	54.83	4,061.70	4,128.03
Total	563.55	54.83	23,182.46	23,800.84
Financial liabilities				
Borrowings	-	-	951.84	951.84
Trade payables	-	-	703.47	703.47
Others (refer note 3.14)	73.77	28.16	5,957.01	6,058.94
Total	73.77	28.16	7,612.32	7,714.25

Notes to financial statements for the year ended 31 March 2017
(All amounts in crores of ₹, except share data and as stated otherwise)

The carrying value of financial instruments by categories as at 1 July, 2015 is as follows:

	Fair value through profit and loss	Fair value through other comprehensive income	Amortized cost	Total carrying value
Financial assets				
Investments	777.33	-	-	777.33
Trade receivables	-	-	6,563.04	6,563.04
Cash and cash equivalents	-	-	1,355.81	1,355.81
Other bank balances	-	-	8,476.55	8,476.55
Loans	-	-	1,237.12	1,237.12
Others (refer note 3.6)	8.03	12.95	3,862.90	3,883.88
Total	785.36	12.95	21,495.42	22,293.73
Financial liabilities				
Borrowings	-	-	523.37	523.37
Trade payables	-	-	626.61	626.61
Others (refer note 3.14)	3.42	50.24	5,866.49	5,920.15
Total	3.42	50.24	7,016.47	7,070.13

Transfer of financial assets

The Group has revolving accounts receivables based facilities of ₹ 810.97 crores permitting it to sell certain accounts receivables to banks on a non-recourse basis in the normal course of business. The aggregate maximum capacity utilized by the Group at any time during the year ended 31 March, 2017 (twelve months) and year ended 31 March 2016 (nine months) was ₹ 219.71 crores and ₹ 173.62 crores, respectively. Outstanding utilization against this facility as of 31 March 2017, 31 March 2016 and 1 July 2015 is nil. Gains or losses on sale are recorded at the time of transfer of these accounts receivables and are immaterial. The Group has retained servicing obligations, which are limited to collection activities related to the non-recourse sales of accounts receivables. The Group has immaterial outstanding service obligation.

The Group has also sold finance lease receivables of ₹ 89.22 crores and ₹ 113.56 crores during the year ended 31 March, 2017 (twelve months) and during the year ended 31 March, 2016 (nine months), respectively on non-recourse basis. Gains or losses on sale are recorded at the time of transfer of these finance lease receivables and are immaterial. The Group has immaterial outstanding service obligations.

Fair value hierarchy

The assets and liabilities measured at fair value on a recurring basis as at 31 March, 2017 and the basis for that measurement is as below:

	Fair Value	Level 1 inputs	Level 2 inputs	Level 3 inputs
Assets				
Investments carried at fair value through profit and loss	1,168.71	1,145.67	23.04	-
Unrealized gain on derivative financial instruments	598.92	-	598.92	
Liabilities				
Unrealized loss on derivative financial instruments	(32.15)	-	(32.15)	-
Deferred consideration	(40.32)	-	-	(40.32)

There have been no transfers between Level 1 and Level 2 during the year

The following table discloses the assets and liabilities measured at fair value on a recurring basis as at 31 March, 2016 and the basis for that measurement:

	Fair Value	Level 1 inputs	Level 2 inputs	Level 3 inputs
Assets				
Investments carried at fair value through profit and loss	552.05	536.47	15.58	-
Unrealized gain on derivative financial instruments	66.33	-	66.33	-
Liabilities				
Unrealized loss on derivative financial instruments	(30.32)	-	(30.32)	-
Deferred consideration	(71.61)	-	-	(71.61)

There have been no transfers between Level 1 and Level 2 during the year

The following table discloses the assets and liabilities measured at fair value on a recurring basis as at 1 July, 2015 and the basis for that measurement:

	Fair Value	Level 1 inputs	Level 2 inputs	Level 3 inputs
Assets				
Investments carried at fair value through profit and loss	777.33	767.46	9.87	-
Unrealized gain on derivative financial instruments	20.98	-	20.98	-
Liabilities				
Unrealized loss on derivative financial instruments	(53.66)	-	(53.66)	-

There have been no transfers between Level 1 and Level 2 during the year.

Valuation Methodologies

Quoted market prices in active markets are available for investments in securities and, as such, these investments are classified within Level 1.

Investments: The Group's investments consist primarily of investment in debt linked mutual funds. Fair values of investment securities classified as fair value through profit and loss are determined using quoted prices for identical assets or liabilities in active markets and are classified as Level 1.

The investment in limited liability partnership (LLP) is classified as fair value through profit and loss. The share of profit / loss in limited liability partnership (LLP) is accounted for in the books of the company as and when it is credited / debited to the Partners' Capital Account and is classified as Level 2.

Derivative financial instruments: The Group's derivative financial instruments consist of foreign currency forward exchange contracts. Fair values for derivative financial instruments are based on broker quotations and are classified as Level 2.

Fair value of earn-out consideration: The fair value measurement of earn-out consideration is determined using Level 3 inputs. The Group earn-out consideration represents a component of the total purchase consideration for its acquisition of Trygstad Technical Services Inc. and Powerteam LLC. The measurement is calculated using unobservable inputs based on the Group's own assessment of achievement of certain performance goals by Trygstad Technical Services Inc. and Powerteam LLC. The Group estimated the total fair value of the earn out consideration to be ₹ 40.32 crores, (31 March 2016, ₹ 71.61 crores) (1 July 2015, Nil).

The Group assessed that fair value of cash and short-term deposits, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

(c) Financial risk management

The Group is exposed to market risk, credit risk and liquidity risk which may impact the fair value of its financial instruments. The Group has a risk management policy to manage & mitigate these risks.

The Group's risk management policy aims to reduce volatility in financial statements while maintaining balance between providing predictability in the Group's business plan along with reasonable participation in market movement.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk and interest rate risk. The Group is primarily exposed to fluctuation in foreign currency exchange rates.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in exchange rates. The Group's exposure to the risk of changes in exchange rates relates primarily to the Group's operations and the Group's net investments in foreign subsidiaries.

The exchange rate risk primarily arises from assets and liabilities denominated in currencies other than the functional currency of the respective entities and foreign currency forecasted revenue and cash flows. A significant portion of the Group revenue is in US Dollar, Pound Sterling (GBP) and Euro while a large portion of costs are in Indian rupees. The fluctuation in exchange rates in respect to India rupee may have potential impact on the statement of profit and loss and other comprehensive income and equity.

To mitigate the foreign currency risk the Group uses derivatives as governed by the Group's strategy, which provides principles on the use of such forward contracts and currency options consistent with the Group's Risk Management Policy.

Appreciation / depreciation of 1% in respective foreign currencies with respect to functional currency of the Company and its subsidiaries would result in decrease / increase in the Group's profit before tax by approximately ₹ 22.28 crores for the year ended 31 March, 2017.

The rate sensitivity is calculated by aggregation of the net foreign exchange exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 1% against the respective functional currencies of the Company and its subsidiaries. The sensitivity analysis presented above may not be representative of the actual change.

Non-derivative foreign currency exposure as of 31 March 2017, 31 March 2016 and 1 July 2015 in major currencies is as below:

	Net financial assets			Net financial liabilities		
	31 March 2017	31 March 2016	1 July 2015	31 March 2017	31 March 2016	1 July 2015
USD / INR	3,328.47	1,909.54	2,185.16	2,543.69	631.93	712.76
GBP / INR	177.18	307.69	433.81	185.60	264.38	192.36
EURO / INR	371.52	233.00	501.23	110.74	100.59	84.58

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates arises on borrowings with floating interest rate which is not material.

Notes to financial statements for the year ended 31 March 2017
(All amounts in crores of ₹, except share data and as stated otherwise)

Credit risk

Financial instruments that potentially subject the Group to concentration of credit risk consist principally of cash and bank balances, inter-corporate deposits, trade receivables, unbilled revenue, finance lease receivables, investment securities and derivative instruments. The cash resources of the Group are invested with mutual funds, banks, financial institutions and corporations after an evaluation of the credit risk. By their nature, all such financial instruments involve risks, including the credit risk of non-performance by counter parties.

The customers of the Group are primarily corporations based in the United States of America and Europe and accordingly, trade receivables and finance lease receivables are concentrated in the respective countries. The Group periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivables.

The allowance for lifetime expected credit loss on customer balances is as below:

	As at	
	31 March 2017	**31 March 2016**
Balance at the beginning of the year	375.17	282.64
Additional provision during the year	168.97	143.57
Deductions on account of write offs and collections	(250.06)	(52.35)
Effect of exchange rates changes	1.54	1.31
Balance at the end of the year	295.62	375.17

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its obligations associated with financial liabilities. The investment philosophy of the Group is capital preservation and liquidity in preference to returns. The Group consistently generates sufficient cash flows from operations and has access to multiple sources of funding to meet the financial obligations and maintain adequate liquidity for use.

Maturity profile of the Group's non-derivative long term financial liabilities based on contractual payments is as below:

	Year 1 (Current)	**Year 2**	**Year 3**	**Year 4-5**	**Total**
As at 31 March 2017					
Borrowings	62.06	136.30	129.92	116.42	444.70
Employee bonuses accrued	-	11.11	-	-	11.11
Deferred Consideration	26.23	14.09	-	-	40.32
Total	88.29	161.50	129.92	116.42	496.13
As at 31 March 2016					
Borrowings	214.45	200.74	183.24	353.41	951.84
Employee bonuses accrued	-	151.23	-	5.56	156.79
Deferred Consideration	35.38	19.88	16.35	-	71.61
Total	**249.83**	**371.85**	**199.59**	**358.97**	**1,180.24**
As at 1 July 2015					
Borrowings	355.49	148.88	11.42	7.58	523.37
Employee bonuses accrued	-	-	-	6.68	6.68
Deferred Consideration	-	-	-	-	-
Total	**355.49**	**148.88**	**11.42**	**14.26**	**530.05**

Offsetting of financial instruments

Under cash pooling arrangements with banks outside India, the contractual terms of arrangements preclude individual bank accounts within the arrangement from being considered separate units of account. Accordingly, the balances of all such bank accounts subject to the arrangements are presented on net basis. The impact of such netting on bank balances and bank overdraft is ₹ 164.40 crores (31 March 2016, ₹ 218.53 crores , 1 July 2015, Nil).

3.30 Segment Reporting

The Group's operations predominantly relate to providing a range of IT & BPO services targeted at Global 2000 companies spread across America, Europe & Rest of the World. IT services include software services & IT infrastructure management services. Within software services, the Group provides application development & maintenance, enterprise application, next generation SAAS (Software As A Service) application services and engineering and R&D (Research and Development) services to several global customers. Infrastructure management services involve managing customer's IT assets effectively. Business process outsourcing services include the traditional contact centre & help desk services and the next generation services around platform BPO & BPAAS (Business Process As A Service) delivered through a global delivery model.

The Chief Operating Decision Maker ("CODM") evaluates the Group's performance by business segment, comprising software services, infrastructure management services and business process outsourcing services. Accordingly, the above stated business segments have been identified as reportable segments for the purpose of segment reporting. The CODM assesses the performance of the operating segments based on a measure of segment earnings.

The Group operates from four geographies: America, Europe, India and Others. Europe mainly comprises of business operations conducted in United Kingdom, Sweden, Germany, Italy, Belgium, Netherlands, Northern Ireland, Finland, Denmark, Norway, France, Poland and Switzerland. All other customers, mainly in Japan, Australia, New Zealand, Hong Kong, Singapore, South Africa, China, Philippines and Malaysia are included in Others.

Segment accounting policies

The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments and 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 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 finance cost.

b) Segment assets and liabilities

Assets and liabilities are not identified to any reportable segments, since these are increasingly used interchangeably across segments and consequently, the management believes that it is not practicable or meaningful to provide segment disclosures relating to assets and liabilities.

Notes to financial statements for the year ended 31 March 2017

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

Financial information about the business segments for the year ended 31 March 2017 is as follows:

	Software services	Business process outsourcing services	IT Infrastructure services	Total
Segment revenues	27,138.50	1,885.59	18,543.44	47,567.53
Less : Inter-segment revenue	-	-	-	-
Net revenue of operations from external customers	**27,138.50**	**1,885.59**	**18,543.44**	**47,567.53**
Segment Results	**5,623.95**	**241.65**	**3,690.82**	**9,556.42**
Unallocated corporate expenses				-
Finance cost				(89.09)
Other income				273.67
Interest income				799.65
Profit before share of profit (loss) of associate and tax				**10,540.65**
Tax expense				(1,936.28)
Share of profit (loss) of associates				2.10
Non controlling interest				(0.14)
Net profit after taxes				**8,606.33**
Significant non-cash items				
Depreciation and amortization	435.71	45.29	347.13	828.13
Provision for doubtful debts & advances / bad debts & advances written off				28.04

Financial information about the business segments for the (nine months) year ended 31 March 2016 is as follows:

	Software services	Business process outsourcing services	IT Infrastructure services	Total
Segment revenues	18,389.81	1,661.15	11,084.98	31,135.94
Less : Inter-segment revenue	-	-	-	-
Net revenue of operations from external customers	**18,389.81**	**1,661.15**	**11,084.98**	**31,135.94**
Segment Results	**3,695.16**	**256.56**	**2,358.41**	**6,310.13**
Unallocated corporate expenses				(66.44)
Finance cost				(73.90)
Other income				211.93
Interest income				654.20
Profit before share of profit (loss) of associate and tax				**7,035.92**
Tax expense				(1,439.00)
Share of profit of associates				4.76
Non controlling interest				0.75
Net profit after taxes				**5,602.43**
Significant non-cash items				
Depreciation and amortization	229.36	36.58	143.92	409.86
Provision for doubtful debts & advances / bad debts & advances written off				96.98

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

	Year ended	
	31 March 2017	**31 March 2016**
	(Twelve months)	(Nine months)
America	27,372.09	18,260.85
Europe	12,708.22	8,225.00
India	1,994.45	944.08
Others	5,492.77	3,706.01
Total	**47,567.53**	**31,135.94**

During the years ended 31 March 2017 and 2016, no single customer represents 10% or more of the Group's total revenue and the top five customers accounted for 14.7% and 13.9% of the revenue of the Group respectively.

3.31 Employee benefits

The Group has calculated the various benefits provided to employees as shown below:

A. Defined contribution plans and state plans

Superannuation Fund

Employer's contribution to Employees State Insurance

Employer's contribution to Employee Pension Scheme

During the year the Company and its subsidiaries in India have recognized the following amounts in the statement of profit and loss :-

	Year ended	
	31 March 2017	**31 March 2016**
	(Twelve months)	(Nine months)
Superannuation Fund	2.56	1.23
Employer's contribution to Employees State Insurance	5.67	3.07
Employer's contribution to Employee's Pension Scheme	88.26	63.17
Total	**96.49**	**67.47**

The Group has contributed ₹ 378.17 crores (Previous year ₹ 241.56 crores) towards other foreign defined contribution plans.

B. Defined benefit plans

a) Gratuity
b) Employer's contribution to provident fund

Gratuity

The following table sets out the status of the gratuity plan :

Statement of profit and loss

	Year ended	
	31 March 2017	**31 March 2016**
	(Twelve months)	(Nine months)
Current Service cost	65.49	40.66
Interest cost (net)	19.97	17.01
Net benefit expense	**85.46**	**57.67**

Notes to financial statements for the year ended 31 March 2017
(All amounts in crores of ₹, except share data and as stated otherwise)

Balance Sheet

	As at		
	31 March 2017	**31 March 2016**	**1 July 2015**
Defined benefit obligations	353.62	276.97	253.91
Fair value of plan assets	15.91	-	-
	337.71	276.97	253.91
Less: Unrecognized past service cost	-	-	-
Net plan liability	**337.71**	**276.97**	**253.91**
Current defined benefit obligations	52.24	50.10	49.50
Non-current defined benefit obligations	285.47	226.87	204.41

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

	Year ended	
	31 March 2017	**31 March 2016**
	(Twelve months)	(Nine months)
Opening defined benefit obligations	276.97	253.91
Current service cost	65.49	40.66
Interest cost	21.05	17.01
Re-measurement gains (losses) in OCI		
Actuarial changes arising from changes in demographic assumptions	(0.08)	2.89
Actuarial changes arising from changes in financial assumptions	18.37	0.41
Experience adjustments	(12.40)	(14.57)
Business combinations	16.83	-
Benefits paid	(32.61)	(23.34)
Closing defined benefit obligations	**353.62**	**276.97**

Changes in fair value of the plan assets are as follows:

	Year ended	
	31 March 2017	**31 March 2016**
	(Twelve months)	(Nine months)
Opening fair value of plan assets	-	-
Business combinations	14.36	-
Interest income	1.08	-
Contributions	2.73	-
Re-measurement gains (losses) in OCI		
Return on plan assets, excluding amount recognized in interest income	(0.61)	-
Experience adjustments	-	-
Benefits paid	(1.65)	-
Closing fair value of plan assets	**15.91**	**-**

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 shown below:

	As at		
	31 March 2017	**31 March 2016**	**1 July 2015**
Discount rate	6.90%	7.85%	8.05%
Estimated Rate of salary increases	7.00%	7.00%	7.00%
Employee Turnover	23.00%	23.00%	23.00%
Expected rate of return on assets	6.90%	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.

Discount rate and future salary escalation rate are the key actuarial assumptions to which the defined benefit obligation are particularly sensitive. The following table summarizes the impact on defined benefit obligation as at 31 March 2017 arising due to increase / decrease in key actuarial assumptions by 50 basis points:

	Discount rate	Salary escalation rate
Impact of increase	(10.09)	9.82
Impact of decrease	10.64	(9.46)

The sensitivity analysis presented may not be representative of the actual change in the defined benefit obligations as sensitivities have been calculated to show the movement in defined benefit obligations in isolation and assuming there are no other changes in market conditions. There have been no changes from the previous years in the methods and assumptions used in preparing the sensitivity analysis.

The defined benefit obligations are expected to mature after 31 March 2017 as follows:

Year ending 31 March,	Cash flows
- 2018	59.75
- 2019	62.32
- 2020	71.93
- 2021	80.10
- 2022	85.03
- Thereafter	1,330.83

The weighted average duration to the payment of these cash flows is 6.16 years.

Employers Contribution to Provident Fund

The actuary has provided a valuation and based on the assumptions mentioned below, there is no shortfall as at 31 March, 2017, 31 March, 2016 and 1 July 2015.

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

	31 March 2017	31 March 2016	1 July 2015
Plan assets at the year end	2,495.55	2,159.37	1,927.82
Present value of benefit obligation at year end	2,495.55	2,159.37	1,927.82
Asset recognized in balance sheet	-	-	-

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

	31 March 2017	31 March 2016	1 July 2015
Government of India (GOI) bond yield	6.90%	7.85%	8.05%
Remaining term of maturity	8.61 years	8.43 years	7.83 years
Expected guaranteed interest rate	8.65%	8.75%	8.75%

During the year ended 31 March 2017, the Group has contributed ₹ 112.27 crores (previous year (nine months), ₹ 68.66 crores) towards employer’s contribution to provident fund.

Notes to financial statements for the year ended 31 March 2017
(All amounts in crores of ₹, except share data and as stated otherwise)

3.32 Related party transactions

a) Related parties where control exists

List of subsidiaries as at 31 March 2017, 31 March 2016 and 1 July 2015 is as below:

S. No.	Name of the Subsidiaries	Country of Incorporation	Percentage holding as at		
			31 March 2017	31 March 2016	1 July 2015
Direct subsidiaries					
1	HCL Comnet Systems & Services Limited	India	100%	100%	100%
2	HCL Comnet Limited	India	100%	100%	100%
3	HCL Bermuda Limited	Bermuda	100%	100%	100%
4	HCL Technologies (Shanghai) Limited	China	100%	100%	100%
5	HCL Eagle Limited	India	92%	92%	92%
6	HCL Foundation $ (Company incorporated under Section 8 of the Companies Act, 2013)	India	100%	100%	100%
7	HCL Singapore Pte. Limited	Singapore	100%	100%	100%
8	HCL Training & Staffing Services Private Limited	India	100%	100%	-
9	Geometric Americas, Inc. #	USA	100%	-	-
10	Geometric Asia Pacific Pte. Ltd #	Singapore	100%	-	-
11	Geometric Europe GmbH #	Germany	100%	-	-
Step down subsidiaries of direct subsidiaries					
12	HCL Great Britain Limited	UK	100%	100%	100%
13	HCL (Netherlands) BV	Netherlands	100%	100%	100%
14	HCL Belgium NV	Belgium	100%	100%	100%
15	HCL Sweden AB	Sweden	100%	100%	100%
16	HCL GmbH	Germany	100%	100%	100%
17	HCL Italy SRL	Italy	100%	100%	100%
18	HCL Australia Services Pty. Limited	Australia	100%	100%	100%
19	HCL (New Zealand) Limited	New Zealand	100%	100%	100%
20	HCL Hong Kong SAR Limited	Hong Kong	100%	100%	100%
21	HCL Japan Limited	Japan	100%	100%	100%
22	HCL America Inc.	USA	100%	100%	100%
23	HCL Technologies Austria GmbH	Austria	100%	100%	100%
24	HCL Global Processing Services Limited	India	100%	100%	100%
25	HCL BPO Services (NI) Limited !	UK	-	100%	100%
26	HCL (Malaysia) Sdn. Bhd. !	Malaysia	-	100%	100%
27	HCL Technologies Solutions Limited	India	100%	100%	100%
28	HCL Poland Sp.z.o.o	Poland	100%	100%	100%
29	HCL EAS Limited	UK	100%	100%	100%
30	HCL Insurance BPO Services Limited	UK	100%	100%	100%
31	HCL Expense Management Services Inc.	USA	100%	100%	100%
32	Axon Group Limited	UK	100%	100%	100%
33	HCL Axon Technologies Inc.	Canada	100%	100%	100%
34	HCL Technologies Solutions GmbH	Switzerland	100%	100%	100%
35	Axon Solutions Pty. Limited	Australia	100%	100%	100%
36	Axon Solutions Inc.	USA	100%	100%	100%
37	Axon Solutions Limited	UK	100%	100%	100%
38	HCL Axon Malaysia Sdn. Bhd.	Malaysia	100%	100%	100%
39	Axon Solutions Singapore Pte. Limited	Singapore	100%	100%	100%

Notes to financial statements for the year ended 31 March 2017
(All amounts in crores of ₹, except share data and as stated otherwise)

S. No.	Name of the Subsidiaries	Country of Incorporation	Percentage holding as at		
			31 March 2017	31 March 2016	1 July 2015
40	Axon Solutions (Shanghai) Co. Limited	China	100%	100%	100%
41	HCL Axon (Proprietary) Limited	South Africa	100%	100%	100%
42	HCL Argentina s.a.	Argentina	100%	100%	100%
43	HCL Mexico S. de R.L.	Mexico	100%	100%	100%
44	HCL Technologies Romania s.r.l.	Romania	100%	100%	100%
45	HCL Hungary Kft	Hungary	100%	100%	100%
46	HCL Latin America Holding LLC	USA	100%	100%	100%
47	HCL (Brazil) Technologia da informacao Ltda.	Brazil	100%	100%	100%
48	HCL Technologies Denmark Aps	Denmark	100%	100%	100%
49	HCL Technologies Norway AS	Norway	100%	100%	100%
50	PT. HCL Technologies Indonesia Limited	Indonesia	100%	100%	100%
51	HCL Technologies Philippines Inc.	Philippines	100%	100%	100%
52	HCL Technologies South Africa (Proprietary) Limited	South Africa	100%	100%	100%
53	HCL Arabia LLC	Saudi Arabia	100%	100%	100%
54	HCL Technologies France	France	100%	100%	100%
55	Filial Espanola De HCL Technologies S.L	Spain	100%	100%	100%
56	Anzospan Investments Pty Limited	South Africa	100%	100%	100%
57	HCL Investments (UK) Limited	UK	100%	100%	100%
58	Statestreet HCL Holding UK Limited *	UK	100%	100%	100%
59	Statestreet HCL Services (Phillipines) Inc. *	Philippines	100%	100%	100%
60	Statestreet HCL Services (India) Private Limited *	India	100%	100%	100%
61	HCL America Solutions Inc.	USA	100%	100%	100%
62	HCL Technologies Chile Spa	Chile	100%	100%	100%
63	HCL Technologies UK Limited	UK	100%	100%	100%
64	HCL Technologies B.V.	Netherlands	100%	100%	100%
65	HCL (Ireland) Information Systems Limited	Ireland	100%	100%	100%
66	HCL Technologies Germany GmbH	Germany	100%	100%	100%
67	HCL Technologies Belgium BVBA	Belgium	100%	100%	100%
68	HCL Technologies Sweden AB	Sweden	100%	100%	100%
69	HCL Technologies Finland Oy	Finland	100%	100%	100%
70	HCL Technologies Italy S.P.A	Italy	100%	100%	100%
71	HCL Technologies Columbia S.A.S	Columbia	100%	100%	100%
72	HCL Technologies Middle East FZ-LLC	UAE	100%	100%	100%
73	HCL Istanbul Bilisim Teknolojileri Limited Sirketi	Turkey	100%	100%	100%
74	HCL Technologies Greece Single Member P.C	Greece	100%	100%	100%
75	HCL Technologies S.A.	Venezuela	100%	100%	100%
76	HCL Technologies Beijing Co., Ltd	China	100%	100%	100%
77	HCL Technologies Luxembourg S.a r.l	Luxembourg	100%	100%	100%
78	HCL-TEN Ventures, LLC	USA	-	-	100%
79	HCL Technologies Egypt Limited	Egypt	100%	100%	100%
80	HCL Technologies Estonia OÜ	Estonia	100%	100%	100%
81	HCL Technologies (Thailand) Ltd.	Thailand	100%	100%	100%
82	HCL Technologies Czech Republic s.r.o.	Czech Republic	100%	100%	-
83	HCL Joint Venture Holding Inc. !	USA	-	100%	-
84	HCL Muscat Technologies L.L.C.	Oman	100%	100%	-
85	CeleritiFintech Limited	UK	51%	51%	-

Notes to financial statements for the year ended 31 March 2017

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

S. No.	Name of the Subsidiaries	Country of Incorporation	Percentage holding as at		
			31 March 2017	31 March 2016	1 July 2015
86	CeleritiFintech USA, Inc.	USA	51%	51%	-
87	CeleritiFintech Australia Pty Limited	Australia	51%	51%	-
88	CeleritiFintech Germany GmbH	Germany	51%	51%	-
89	CeleritiFintech Italy S.R.L.	Italy	51%	51%	-
90	Concept2Silicon Systems Private Limited	India	100%	100%	-
91	Powerteam, LLC	USA	100%	100%	-
92	Point to Point Limited	UK	100%	100%	-
93	Point to Point Products Limited	UK	100%	100%	-
94	HCL Technologies Lithuania UAB ^	Lithuania	100%	-	-
95	HCL Technologies (Taiwan) Ltd. ^	China	100%	-	-
96	Geometric China, Inc. #	China	100%	-	-
97	Geometric SRL #	Romania	100%	-	-
98	Geometric SAS #	France	100%	-	-
99	Butler America Aerospace LLC #	USA	100%	-	-

$ The objective of the parent is not to obtain economic benefit from the Company, it has not been considered for the purpose of preparation of consolidated financial statements.

** The Group has equity interest of 49% and 100% dividend rights and control*

! Dissolved during the year

^ Incorporated during the year

 # Acquired during the year

a) Related parties where control exists

Employee benefit trusts

Hindustan Instruments Limited Employees Provident Fund Trust

HCL Consulting Limited Employees Superannuation Scheme

HCL Comnet System and Services Limited Employees Provident Fund Trust.

HCL South Africa Share Ownership Trust

HCL Technologies Stock Options Trust

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

Key Management Personnel

Mr. Shiv Nadar – Chairman and Chief Strategy Officer

Mr. C. Vijayakumar – President and Chief Executive Officer (w.e.f. 20 October, 2016)

Mr. Anant Gupta – President and Chief Executive Officer (upto 20 October, 2016)

Mr. Anil Chanana – Chief Financial Officer

Mr. Manish Anand – Company Secretary

Non-Executive & Independent Directors

Mr. Amal Ganguli

Mr. Keki Mistry

Mr. Ramanathan Srinivasan

Ms. Robin Ann Abrams

Dr. Sosale Shankara Sastry

Mr. Subramanian Madhavan

Mr. Thomas Sieber

Ms. Nishi Vasudeva (appointed w.e.f. 1 August 2016)

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

Non-Executive & Non-Independent Directors
Ms. Roshni Nadar Malhotra
Mr. Sudhindar Krishan Khanna

Associates
CeleritiFintech Services Limited (and its subsidiaries)

Others (Significant influence)
HCL Infosystems Limited
HCL Avitas Private Limited
Vama Sundari Investments (Delhi) Private Limited
HCL Corporation Private Limited
SSN Investments (Pondi) Private Limited
Naksha Enterprises Private Limited
HCL Services Limited
HCL TalentCare Pvt. Ltd.
HCL Learning Limited
Easyaccess Financial Services Limited
HCL IT City Lucknow Private Limited
HCL Infotech Limited
Shiv Nadar Foundation
HCL Holding Private Limited

Transactions with related parties during the normal course of business	Associates and Others (Significant influence)	
	Year ended	
	31 March 2017	31 March 2016
	(Twelve months)	(Nine months)
Sale of materials and services	**5.61**	**3.73**
-HCL Infosystems Limited	2.52	3.01
-HCL Avitas Private Limited	2.61	-
-Others	0.48	0.72
Purchase of materials and services	**341.85**	**22.84**
-CeleritiFintech Services Limited (and its subsidiaries)	310.31	-
-HCL Infosystems Limited	21.44	6.09
-HCL Services Limited	8.98	7.93
-HCL TalentCare Pvt. Ltd.	1.10	0.88
-HCL Training and Staffing Services Pvt.Limited	-	7.79
-Others	0.02	0.15
Payment for use of facilities	**29.42**	**11.29**
-HCL Infosystems Limited	1.79	1.33
-SSN Investments (Pondi) Private Limited	14.46	9.96
-Easyaccess Financial Services Limited	11.35	-
-HCL IT City Lucknow Private Limited	1.82	-
Purchase of capital equipments	**10.81**	**2.99**
-CeleritiFintech Services Limited (and its subsidiaries)	9.76	-
-HCL Infosystems Limited	0.67	2.05

Notes to financial statements for the year ended 31 March 2017

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

Transactions with related parties during the normal course of business	Associates and Others (Significant influence)	
	Year ended	
	31 March 2017	31 March 2016
	(Twelve months)	(Nine months)
-HCL Insys. Pte. Limited, Singapore	-	0.12
-Others	0.38	0.82
Dividend Paid	**2,014.06**	**1,342.72**
-Vama Sundari Investments (Delhi) Private Limited	1,440.23	960.16
-HCL Holding Private Limited	573.83	382.56
Other expenses	**7.05**	**2.81**
-HCL Corporation Private Limited	6.93	0.92
-HCL Services Limited	0.12	0.02
-HCL Training and Staffing Services Pvt.Limited	-	1.87
Other transactions	**-**	**2.35**
-Vama Sundari Investments (Delhi) Private Limited*	-	2.35

* Acquired entire equity share capital of “HCL Training and Staffing Services Pvt. Limited” (refer note 2)

Transactions with Key Managerial personnel during the year	Year ended	
	31 March 2017	31 March 2016
	(Twelve months)	(Nine months)
Compensation		
- Short-term employee benefits	37.12	55.98
Loan outstanding at end of the year	-	15.00
Interest received by company on loan provided	0.70	1.25
Share-based payment		
- Exercised - No's (options)	2,860	30,900
- Exercise price - ₹	16	16
Dividend paid	0.98	0.60

Transactions with Directors during the year	Year ended	
	31 March 2017	31 March 2016
	(Twelve months)	(Nine months)
Commission & other benefits to Directors (includes sitting fees)	7.55	5.28

c) Outstanding balances

	Associates and Others (Significant influence)		
	As at		
	31 March 2017	31 March 2016	1 July 2015
Trade receivables	**6.01**	**14.02**	**151.30**
-HCL Infosystems Limited	4.77	13.03	3.62
-HCL Infotech Limited	-	-	146.94
-Others	1.24	0.99	0.74
Capital Advance	**0.02**	**1.00**	**-**
-HCL Infosystems Limited	-	1.00	-
-Shiv Nadar University	0.02	-	-

Notes to financial statements for the year ended 31 March 2017
(All amounts in crores of ₹, except share data and as stated otherwise)

	Associates and Others (Significant influence)		
	As at		
	31 March 2017	31 March 2016	1 July 2015
Unbilled Revenue	**0.66**	**1.76**	**9.50**
-HCL Infosystems Limited	0.64	1.76	9.06
-Others	0.02	-	0.44
Other Assets	**14.49**	**2.68**	**3.30**
-HCL Infosystems Limited	1.83	1.05	1.00
-SSN Investments (Pondi) Private Limited	3.52	-	-
-HCL IT City Lucknow Private Limited	2.85	-	-
-Easyaccess Financial Services Limited	6.03	-	-
-HCL Corporation Private Limited	-	0.17	0.22
-Others	0.26	1.46	2.08
Capital Accounts Payable	**3.23**	**3.61**	**6.87**
-CeleritiFintech Services Limited (and its subsidiaries)	3.10	-	-
-HCL Infosystems Limited	0.13	3.60	6.62
-Others	-	0.01	0.25
Supplier Credit	**18.47**	**13.17**	**9.54**
-HCL Infosystems Limited	14.12	5.80	5.70
-Digilife Distribution and Marketing Services Limited	-	-	0.86
-HCL Services Limited	-	7.34	2.13
-HCL Learning Limited	4.35	-	-
-Others	-	0.03	0.85
Trade payables and other current liabilities	**242.75**	**157.37**	**31.36**
-HCL Infosystems Limited	3.53	23.74	6.66
-HCL Infotech Limited	17.88	-	18.22
-HCL Corporation Private Limited	1.59	5.04	-
-CeleritiFintech Services Limited (and its subsidiaries) *	216.59	126.38	-
-HCL TalentCare Pvt. Ltd.	0.03	1.54	5.15
-Others	3.13	0.67	1.33

** includes payable towards equity interest in associate of ₹ 93.99 crores (31 March 2016, ₹ 126.38 crores)*

3.33 Research and development expenditure

	Year ended	
	31 March 2017	31 March 2016
	(Twelve months)	(Nine months)
Revenue	114.89	102.62
Capital	9.76	-
	124.65	**102.62**

Notes to financial statements for the year ended 31 March 2017
(All amounts in crores of ₹, except share data and as stated otherwise)

3.34 Commitments and contingent liabilities

	As at		
	31 March 2017	**31 March 2016**	**1 July 2015**
i) Capital and other commitments **Capital commitments** Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) [includes related party ₹ 3.50 crores (31 March 2016, ₹ 0.98 crores, 1 July 2015, ₹ 5.37 crores)]	541.37	371.44	586.91
ii) Contingent liabilities Others	0.63	0.63	0.63
	542.00	**372.07**	**587.54**

The Group is involved in various lawsuits, claims and proceedings that arise in the ordinary course of business, the outcome of which is inherently uncertain. Some of these matters include speculative and frivolous claims for substantial or indeterminate amounts of damages. The Group records a liability when it is both probable that a loss has been incurred and the amount can be reasonably estimated. Significant judgment is required to determine both probability and the estimated amount. The Group reviews these provisions at least quarterly and adjusts these provisions accordingly to reflect the impact of negotiations, settlements, rulings, advice of legal counsel, and updated information. The Group believes that the amount or estimable range of reasonably possible loss, will not, either individually or in the aggregate, have a material adverse effect on its business, consolidated financial position, results of the Group, or cash flows with respect to loss contingencies for legal and other contingencies as at 31 March, 2017.

The Company 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 transfer pricing studies to determine whether transactions with associate enterprises undertaken during the financial year, are on an arm’s length basis. Adjustments, if any, arising from the transfer pricing studies in the respective jurisdictions will be accounted for when the study is completed for the current financial year. The management is of the opinion that its transactions with associates are at arm’s length so that the outcome of the studies to corroborate compliance with legislation will not have any material adverse impact on the financial statements.

3.35 Payment to auditors

	Year ended	
	31 March 2017	**31 March 2016**
	(Twelve months)	(Nine months)
Audit fees	13.17	10.50
Other services	0.19	0.19
Reimbursement of expenses	0.30	0.25
	13.66	**10.94**

3.36 Entrusted loan receivable / payable

Two wholly owned subsidiaries in the Group, entered into an entrusted loan arrangement of ₹ 7.53 crores (31 March 2017), ₹ 25.64 crores (31 March 2016) and 1 July 2015 ₹ 25.66 crores with a bank, in which the bank acts as an agent (charging commission of 0.20% p.a.). The entrusted loan receivable and entrusted loan payable cannot be set off and bears interest of 5% p.a.

3.37 Disclosure on specified bank notes

During the period from 8 November, 2016 to 30 December, 2016, the Company and its subsidiaries in India held and transacted in Specified Bank Notes (SBN) or other denomination note as defined in the MCA notification G.S.R. 308(E) dated 30 March, 2017. The detail of same is as below in absolute rupees (₹):

Notes to financial statements for the year ended 31 March 2017

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

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	21,500.00	1,351.00	22,851.00
(+) Permitted receipts	-	100,000.00	100,000.00
(-) Permitted payments	-	(95,599.00)	(95,599.00)
(-) Amount deposited in Banks	(21,500.00)	(5,752.00)	(27,252.00)
Closing cash in hand as on 30.12.2016	-	-	-

Note: The above does not include information relating to a subsidiary engaged in providing training services where the students directly deposit fee in subsidiary's bank account.

3.38 Additional information under general instructions for the preparation of consolidated financial statements of Schedule III to the Companies Act, 2013

S. No.	Name of the Entity	Net Assets, i.e. total assets minus liabilities as at						Share in profit and loss for the year ended			
		31 March 2017		31 March 2016		1 July 2015		31 March 2017 (Twelve months)		31 March 2016 (Nine months)	
		As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount	As % of consolidated profit and loss	Amount
Parent											
HCL Technologies Limited		60.99	20,201.89	57.03	15,741.07	59.36	14,463.63	79.67	6,857.05	82.90	4,644.15
Subsidiaries											
Indian											
1	HCL Comnet Systems & Services Limited	0.12	40.49	0.14	39.32	0.15	36.46	0.03	2.47	0.08	4.56
2	HCL Comnet Limited	0.42	138.23	0.78	214.86	0.84	205.39	(0.54)	(46.69)	0.02	0.49
3	Statestreet HCL Services (India) Private Limited	0.73	240.22	0.51	141.31	0.39	95.94	1.02	87.43	0.82	45.87
4	HCL Eagle Limited	0.05	18.12	0.05	13.55	0.04	8.83	0.04	3.46	0.07	3.60
5	HCL Global Processing Services Limited	0.08	26.97	0.08	23.33	0.16	37.85	0.08	6.94	(0.02)	(0.48)
6	HCL Technologies Solutions Limited	0.02	6.26	0.02	6.53	0.03	7.53	-	0.17	(0.03)	(1.55)
7	Concept2Silicon Systems Private Limited	0.03	9.92	0.05	12.79	-	-	(0.01)	(0.69)	(0.04)	(2.04)
8	HCL Training & Staffing Services Private Limited	0.11	36.64	-	1.03	-	-	0.38	32.92	0.02	0.86
Foreign											
9	HCL Bermuda Limited	0.01	2.38	0.01	3.72	0.03	6.23	(0.03)	(3.87)	-	-
10	HCL Technologies (Shanghai) Limited	0.05	17.73	0.26	71.66	0.23	55.50	0.06	5.31	0.07	3.80
11	HCL Singapore Pte. Limited	0.26	87.32	0.63	173.49	0.53	128.42	1.26	108.31	1.78	99.92
12	HCL Great Britain Limited	0.48	158.05	1.48	408.16	2.07	504.33	0.71	60.93	1.34	75.09
13	HCL (Netherlands) BV	0.15	49.13	0.30	82.84	0.20	49.99	0.15	12.73	0.27	15.39
14	HCL Belgium NV	0.19	63.98	0.24	66.80	0.18	45.00	0.10	7.46	0.12	6.74
15	HCL Sweden AB	0.33	108.31	0.24	64.96	0.09	23.66	0.03	2.91	0.30	16.84
16	HCL GmbH	0.26	85.49	0.46	128.30	0.17	40.48	0.25	21.33	0.35	19.48
17	HCL Italy SRL	0.06	20.71	0.02	5.35	0.06	15.16	0.01	0.76	0.02	0.85
18	HCL Australia Services Pty. Ltd.	0.28	91.81	0.48	131.85	0.85	206.81	0.52	44.62	0.49	27.66
19	HCL (New Zealand) Limited	0.12	40.97	0.10	26.25	0.08	20.17	0.13	10.92	0.12	6.82
20	HCL Hong Kong SAR Limited	0.13	43.89	0.06	15.38	0.04	8.88	0.09	7.71	0.06	3.39
21	HCL Japan Limited	0.22	73.52	0.54	148.29	0.34	85.54	0.00	0.14	(0.23)	(13.01)
22	HCL America Inc.	10.17	3,368.04	11.41	3,149.68	9.92	2,416.03	7.07	608.49	4.36	244.50
23	HCL Technologies Austria GmbH	0.01	3.41	-	1.10	0.01	2.18	-	(0.06)	0.05	2.64

Notes to financial statements for the year ended 31 March 2017

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

S. No.	Name of the Entity	Net Assets, i.e. total assets minus liabilities as at						Share in profit and loss for the year ended			
		31 March 2017		31 March 2016		1 July 2015		31 March 2017 (Twelve months)		31 March 2016 (Nine months)	
		As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount	As % of consolidated profit and loss	Amount
24	HCL BPO Services (NI) Limited	0.03	10.83	0.06	17.46	0.09	21.47	0.62	52.39	1.72	96.13
25	HCL (Malaysia) Sdn. Bhd.	-	(0.00)	-	0.37	-	0.34	-	(0.19)	-	0.02
26	HCL Poland Sp.z.o.o	(0.10)	(33.36)	(0.18)	(48.96)	(0.18)	(44.02)	0.27	23.40	0.19	10.60
27	HCL EAS Limited	(0.07)	(21.98)	(0.33)	(90.89)	0.38	92.26	(0.03)	(2.21)	(1.03)	(57.65)
28	HCL Insurance BPO Services Limited	0.02	8.23	0.06	17.47	0.06	15.74	0.05	4.00	0.15	8.42
29	HCL Expense Management Services Inc.	0.42	140.23	0.53	145.28	0.57	139.02	-	0.23	0.08	4.51
30	Axon Group Limited	0.03	10.22	-	(0.17)	-	0.08	0.01	0.62	(0.01)	(0.54)
31	HCL Axon Technologies Inc.	0.41	137.35	0.30	82.17	0.51	123.52	1.42	122.04	1.21	67.91
32	HCL Technologies Solutions GmbH	0.10	28.76	0.02	6.41	-	0.71	0.03	2.82	-	0.14
33	Axon Solutions Pty. Limited	0.05	15.04	(0.03)	(7.67)	(0.02)	(5.61)	0.02	1.87	0.01	0.82
34	Axon Solutions Inc.	7.83	2,593.55	9.79	2,701.93	10.68	2,601.42	0.56	48.38	0.43	24.04
35	Axon Solutions Limited	4.87	1,614.57	6.75	1,863.63	7.84	1,910.65	1.03	89.02	1.33	74.55
36	HCL Axon Malaysia Sdn. Bhd.	0.08	27.05	0.19	52.56	0.26	62.45	0.23	19.48	0.18	10.27
37	Axon Solutions Singapore Pte. Ltd.	-	0.04	0.01	2.13	0.01	3.62	-	0.41	0.02	1.15
38	Axon Solutions (Shanghai) Co. Limited	0.25	83.11	0.41	112.36	0.35	86.20	0.20	17.01	0.43	24.10
39	HCL Axon (Proprietary) Limited	0.95	314.41	1.03	285.16	1.03	251.91	0.52	44.43	1.13	63.22
40	HCL Argentina s.a.	0.01	3.32	0.01	3.01	0.01	1.60	0.01	1.01	(0.02)	(0.91)
41	HCL Mexico S. de R.L.	0.20	63.62	0.17	47.06	0.11	27.86	(0.01)	(0.72)	(0.11)	(6.27)
42	HCL Technologies Romania s.r.l.	0.01	2.60	-	1.18	-	0.59	-	0.33	0.01	0.51
43	HCL Hungary Kft	0.01	4.47	0.01	1.77	0.01	1.94	-	0.30	-	0.25
44	HCL Latin America Holding LLC	-	0.67	-	0.38	0.01	1.33	-	(0.10)	-	0.07
45	HCL (Brazil) Technologia da informacao Ltda.	0.09	31.31	0.04	12.40	0.09	20.73	0.06	5.50	(0.10)	(5.48)
46	HCL Technologies Denmark Apps	0.19	61.51	0.18	48.69	0.13	32.84	0.10	8.64	0.10	5.43
47	HCL Technologies Norway AS	0.32	104.56	0.26	72.64	0.23	56.35	0.20	17.60	0.28	15.53
48	PT. HCL Technologies Indonesia Limited	0.05	17.11	0.06	15.98	0.05	12.33	-	(0.11)	0.02	1.12
49	HCL Technologies Philippines Inc.	0.10	31.89	0.04	10.36	0.04	10.73	0.23	19.73	0.19	10.54
50	HCL Technologies South Africa (Proprietary) Limited	0.05	17.84	0.06	15.54	-	(0.59)	-	0.35	0.02	0.87
51	HCL Arabia LLC	0.03	9.83	0.07	17.99	0.09	21.11	0.05	4.20	0.05	2.69
52	HCL Technologies France	0.54	178.38	0.83	228.45	0.72	176.36	0.26	22.61	0.15	8.19
53	Filial Espanola De HCL Technologies S.L	0.03	9.56	0.05	13.42	0.03	6.81	0.02	1.77	0.03	1.56
54	Anzospan Investments Pty Ltd.	-	0.07	-	(0.01)	-	0.08	-	(0.25)	-	(0.04)
55	HCL Investments (UK) Limited	-	(0.01)	-	0.17	-	0.12	-	(0.03)	-	(0.04)
56	HCL America Solutions Inc.	0.62	206.25	0.53	145.68	0.27	64.99	(0.03)	(2.29)	0.01	0.59
57	HCL Technologies Chile Spa	0.06	18.48	0.04	10.17	0.12	28.78	0.05	4.16	0.02	0.90
58	HCL Technologies UK Limited	0.65	216.43	0.78	215.72	0.67	162.90	0.39	33.18	0.46	25.91
59	Statestreet HCL Holding UK Ltd.	-	(0.04)	-	(0.19)	(0.04)	(10.32)	-	(0.02)	-	(0.07)
60	Statestreet HCL Services (Phillipines) Inc.	0.08	27.09	0.06	16.40	0.05	11.12	0.11	9.64	0.09	5.23
61	HCL Technologies B.V.	0.03	8.62	0.01	1.53	-	0.11	0.08	6.63	0.03	1.58
62	HCL (Ireland) Information Systems Limited	-	1.22	-	(0.65)	0.01	1.57	0.06	5.27	0.06	3.49
63	HCL Technologies Germany Gmbh	0.18	60.45	0.05	13.70	0.02	3.87	0.16	13.69	(0.02)	(1.25)
64	HCL Technologies Belgium N.V.	0.06	19.26	0.10	26.94	-	0.33	0.03	2.70	(0.04)	(2.30)

HCL

Notes to financial statements for the year ended 31 March 2017

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

S. No.	Name of the Entity	Net Assets, i.e. total assets minus liabilities as at						Share in profit and loss for the year ended			
		31 March 2017		31 March 2016		1 July 2015		31 March 2017 (Twelve months)		31 March 2016 (Nine months)	
		As % of consoli-dated net assets	Amount	As % of consoli-dated net assets	Amount	As % of consoli-dated net assets	Amount	As % of consol-idated profit and loss	Amount	As % of consol-idated profit and loss	Amount
65	HCL Technologies Sweden AB	1.38	458.21	0.39	106.66	(0.01)	(2.19)	1.55	133.64	(0.40)	(22.26)
66	HCL Technologies Finland Oy	0.01	2.30	(0.01)	(1.49)	(0.04)	(9.06)	0.08	7.22	(0.02)	(1.18)
67	HCL Technologies Italy S.P.A	(0.03)	(10.36)	0.02	4.17	0.01	2.78	0.03	2.41	0.01	0.58
68	HCL Technologies Columbia S.A.S	0.01	4.20	0.01	3.02	-	(0.08)	(0.01)	(0.98)	-	0.22
69	HCL Technologies Middle East FZ-LLC	0.07	22.49	0.10	28.49	0.04	10.24	(0.04)	(3.47)	0.16	8.86
70	HCL Istanbul Bilisim Teknolojileri Limited Sirketi	0.04	12.15	0.02	4.77	0.02	4.27	0.05	4.26	0.04	1.98
71	HCL Technologies Greece Single Member P.C	0.01	4.16	0.02	5.16	-	0.48	-	0.07	-	0.03
72	HCL Technologies S.A.	0.01	4.21	0.01	3.25	0.01	3.22	0.03	2.97	(0.05)	(2.86)
73	HCL Technologies Beijing Co., Ltd.	0.02	5.55	0.02	6.58	-	-	0.01	0.89	-	0.11
74	HCL Technologies Luxembourg S.a r.l	0.01	1.92	-	0.93	-	-	-	0.10	-	0.05
75	HCL-TEN Ventures, LLC	-	-	-	-	-	-	-	-	-	-
76	HCL Technologies Egypt Limited	0.01	3.64	0.01	1.70	-	-	(0.02)	(1.73)	-	-
77	HCL Technologies Estonia OÜ	0.01	4.10	-	1.08	-	-	-	(0.38)	(0.01)	(0.79)
78	HCL Technologies (Thailand) Ltd.	0.03	10.94	0.01	2.99	-	-	-	0.11	-	(0.06)
79	HCL Technologies Czech Republic s.r.o.	(0.01)	(3.72)	-	0.57	-	-	0.01	0.72	(0.03)	(1.65)
80	HCL Joint Venture Holding Inc.	-	-	-	-	-	-	-	-	-	-
81	HCL Muscat Technologies L.L.C.	-	1.60	-	-	-	-	-	0.30	-	-
82	CelerítiFintech Limited	0.62	206.43	0.84	230.66	-	-	(0.05)	(4.04)	(0.04)	(2.26)
83	CeleritiFintech USA, Inc.	0.01	2.05	-	(1.01)	-	-	0.02	1.65	-	0.13
84	CeleritiFintech Australia Pty Ltd.	0.01	4.30	-	(0.11)	-	-	0.01	0.70	-	-
85	CeleritiFintech Italy S.R.L.	0.01	2.95	-	-	-	-	0.01	0.95	-	-
86	CeleritiFintech Germany GmbH	-	0.76	-	-	-	-	0.01	0.47	-	-
87	Powerteam, LLC	0.69	228.88	0.94	262.01	-	-	0.36	31.13	0.16	8.76
88	Point To Point Limited	0.11	37.39	0.20	55.75	-	-	(0.05)	(3.91)	(0.01)	(0.36)
89	Point To Point Products Limited	0.03	9.63	0.04	10.73	-	-	0.01	0.74	0.01	0.37
90	HCL Technologies Lithuania UAB	0.04	12.33	-	-	-	-	-	0.39	-	-
91	HCL Technologies (Taiwan) Ltd.	-	1.07	-	-	-	-	-	0.00	-	-
92	Geometric Americas, Inc.	0.84	277.79	-	-	-	-	0.21	18.29	-	-
93	Geometric Asia Pacific Pte. Ltd	0.07	22.06	-	-	-	-	0.02	1.29	-	-
94	Geometric Europe GmbH	0.32	104.88	-	-	-	-	0.02	1.98	-	-
95	Geometric China, Inc.	0.03	8.83	-	-	-	-	(0.02)	(1.33)	-	-
96	Geometric SRL	0.01	3.27	-	-	-	-	0.02	1.52	-	-
97	Geometric SAS	0.12	39.36	-	-	-	-	-	0.30	-	-
98	Butler America Aerospace LLC	1.69	557.18	-	-	-	-	-	(0.13)	-	-
Associates											
Foreign											
99	CeleritiFintech Services Limited	0.38	125.81	0.53	146.33	-	-	0.02	2.10	0.19	10.65
Total		**100.00**	**33,122.38**	**100.00**	**27,601.43**	**100.00**	**24,366.97**	**100.00**	**8,606.47**	**100.00**	**5,601.68**
Non controlling interest			**(172.53)**		**(210.66)**		**(0.29)**		**(0.14)**		**0.75**
Consolidated Net assets / Profit after tax			**32,949.85**		**27,390.77**		**24,366.68**		**8,606.33**		**5,602.43**

Note:

1. Dividend received from subsidiaries has been excluded from profits.

4. First-time adoption of Ind AS

The adoption of Ind AS was carried out in accordance with Ind AS 101, using 1 July, 2015 as the transition date. Ind AS 101 requires that all Ind AS standards that are effective for the first Ind AS Financial Statements be applied consistently and retrospectively for all periods presented. The resulting difference between the carrying amounts of the assets and liabilities in the consolidated financial statements under Ind AS and Previous GAAP as at the transition date are recognized directly in equity.

In preparing these consolidated financial statements, the Group has availed of certain exemptions and exceptions in accordance with Ind AS 101 as explained below:

I. Exemptions from retrospective application:

Following are the optional exemptions which the Group has opted to apply / not to apply:

i. **Business combinations exemption** - The Group has applied the exemption as provided in Ind AS 101 on non-application of Ind AS 103, Business Combinations to business combinations consummated prior to the transition date, pursuant to which goodwill arising from business combinations have been stated at the carrying amount recognized under Previous GAAP in Ind AS financial statements as at the date of transition.

ii. **Cumulative translation differences exemption** - The Group had accumulated foreign exchange translation gains and losses on subsidiaries in a separate component of equity under Previous GAAP. Upon transition to Ind AS, the treatment of recording translation differences on subsidiaries in equity did not undergo any change and consequently the optional exemption of setting cumulative translation reserve to zero as at transition date was not required to be applied.

iii. **Assets and liabilities of subsidiaries, associates and joint ventures exemption** - All entities of the Group are transitioning to Ind AS on the same date, consequent to which this exemption is not required to be applied.

iv. **Share-based payment transaction exemption** - Ind AS 102 Share-based Payment has not been applied to equity instruments in share-based payment transactions that vested before the transition date.

v. **Changes in decommissioning liabilities included in the cost of property, plant and equipment exemption** - The Group does not have material decommissioning, restoration and similar liabilities in the cost of property, plant and equipment and hence the exemption is not applicable.

II. Exceptions from full retrospective application

i. **Estimates exception** - Upon review of the estimates made under Previous GAAP, the Group concluded that there was no necessity to revise the estimates under Ind AS except where estimates were required by Ind AS and not required by Previous GAAP.

ii. **Derecognition of financial assets and liabilities exception** - Financial assets and liabilities derecognized in accordance with Previous GAAP are not re-recognized under Ind AS. The Group has chosen not to apply the Ind AS 109 derecognition criteria to an earlier date. No arrangements were identified that had to be assessed under this exception.

iii. **Hedge accounting exception**– The Group had followed hedge accounting under Previous GAAP which is aligned to Ind AS. Accordingly, this exception of not reflecting in its opening Ind AS consolidated balance sheet a hedging relationship of a type that does not qualify for hedge accounting under Ind AS 109, is not applicable to the Group.

III. Reconciliations:

The following reconciliations provide a quantification of the effect of the transition to Ind AS from Previous GAAP in accordance with Ind AS 101:

- Equity as at 1 July, 2015 (Transition date)
- Equity as at 31 March, 2016
- Consolidated Statement of Profit and Loss for the year ended 31 March, 2016

Notes to financial statements for the year ended 31 March 2017
(All amounts in crores of ₹, except share data and as stated otherwise)

Reconciliation of Group equity as at 1 July 2015

		Note No.	Indian GAAP (Reported)	Effect of Transition	Ind AS
I.	**ASSETS**				
	(1) Non-current assets				
	(a) Property, plant and equipment	a, g	3,403.69	(235.63)	3,168.06
	(b) Capital work in progress	a	551.52	2.22	553.74
	(c) Goodwill	a	4,793.26	10.50	4,803.76
	(d) Other intangible assets	a	78.32	0.45	78.77
	(e) Investment in an associate	a	96.94	(96.94)	-
	(f) Financial assets				
	(i) Investments		9.87	-	9.87
	(ii) Loans		15.01	-	15.01
	(iii) Others	a, c	695.68	(64.86)	630.82
	(g) Deferred tax assets (net)	a, d, i	1,562.17	83.85	1,646.02
	(h) Other non-current assets	a, c, g	991.41	311.10	1,302.51
	(2) Current assets				
	(a) Inventories		157.61	-	157.61
	(b) Financial assets				
	(i) Investments	d	762.58	4.88	767.46
	(ii) Trade receivables	a	6,538.69	24.35	6,563.04
	(iii) Cash and cash equivalents	a	1,338.52	17.29	1,355.81
	(iv) Other bank balances	a	8,447.71	28.84	8,476.55
	(v) Loans		1,222.11	-	1,222.11
	(vi) Others	a	3,244.13	8.93	3,253.06
	(c) Other current assets	a, c, g	1,335.45	5.46	1,340.91
	TOTAL ASSETS		**35,244.67**	**100.44**	**35,345.11**
II.	**EQUITY**				
	(a) Equity share capital		281.20	-	281.20
	(b) Other equity	a, c, d, i	23,943.21	142.27	24,085.48
	Equity attributable to shareholders of the Company		24,224.41	142.27	24,366.68
	Non controlling interest	a	82.11	(81.82)	0.29
	TOTAL EQUITY		**24,306.52**	**60.45**	**24,366.97**
III.	**LIABILITIES**				
	(1) Non - current liabilities				
	(a) Financial liabilities				
	(i) Borrowings		167.89	-	167.89
	(ii) Others	a	44.41	0.01	44.42
	(b) Provisions	a, h	203.97	319.07	523.04
	(c) Other non-current liabilities	a	576.83	1.37	578.20
	(2) Current liabilities				
	(a) Financial liabilities				
	(i) Borrowings		355.48	-	355.48
	(ii) Trade payables	a	625.41	1.20	626.61
	(iii) Others	a	5,842.76	32.97	5,875.73
	(b) Other current liabilities	a	1,407.83	2.43	1,410.26
	(c) Provisions	a, h	642.15	(318.32)	323.83
	(d) Current tax liabilities (net)	a	1,071.42	1.26	1,072.68
	TOTAL EQUITY AND LIABILITIES		**35,244.67**	**100.44**	**35,345.11**

Notes to financial statements for the year ended 31 March 2017

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

Reconciliation of Group equity as at 31 March 2016

		Note No.	Indian GAAP (Reported)	Effect of Transition	Ind AS
I.	**ASSETS**				
	(1) Non-current assets				
	(a) Property, plant and equipment	a, g	3,816.61	(221.23)	3,595.38
	(b) Capital work in progress	a	606.07	4.83	610.90
	(c) Goodwill	a	5,921.54	(146.22)	5,775.32
	(d) Other intangible assets	a, b	217.21	128.18	345.39
	(e) Investment in an associate		304.95	(158.62)	146.33
	(f) Financial assets				
	(i) Investments	a, b	15.58	-	15.58
	(ii) Loans		15.00	-	15.00
	(iii) Others	a, c	745.90	(61.36)	684.54
	(g) Deferred tax assets (net)	a, b, d, e, i	1,780.23	30.86	1,811.09
	(h) Other non-current assets	a, c, g	1,060.42	298.95	1,359.37
	(2) Current assets				
	(a) Inventories		264.48	-	264.48
	(b) Financial assets				
	(i) Investments	d	534.74	1.73	536.47
	(ii) Trade receivables	a	7,681.82	39.32	7,721.14
	(iii) Cash and cash equivalents	a	723.69	9.22	732.91
	(iv) Other bank balances	a	8,561.76	39.93	8,601.69
	(v) Loans	a	2,049.62	0.40	2,050.02
	(vi) Others	a	3,428.99	14.50	3,443.49
	(c) Other current assets	a, c, g	1,615.06	16.44	1,631.50
	TOTAL ASSETS		**39,343.67**	**(3.07)**	**39,340.60**
II.	**EQUITY**				
	(a) Equity share capital		282.08	-	282.08
	(b) Other equity	a, b, c, d, e, i	27,012.08	96.61	27,108.69
	Equity attributable to shareholders of the Company		27,294.16	96.61	27,390.77
	Non controlling interest	a	311.64	(100.98)	210.66
	TOTAL EQUITY		27,605.80	(4.37)	27,601.43
III.	**LIABILITIES**				
	(1) Non - current liabilities				
	(a) Financial liabilities				
	(i) Borrowings		737.40	-	737.40
	(ii) Others	b	249.36	(38.43)	210.93
	(b) Provisions	a, h	226.08	370.96	597.04
	(c) Other non-current liabilities		365.35	-	365.35
	(2) Current liabilities				
	(a) Financial liabilities				
	(i) Borrowings		214.44	-	214.44
	(ii) Trade payables	a	699.59	3.88	703.47
	(iii) Others	a, b	5,833.07	14.94	5,848.01
	(b) Other current liabilities	a	1,617.97	1.02	1,618.99
	(c) Provisions	a, h	688.49	(352.94)	335.55
	(d) Current tax liabilities (net)	a	1,106.12	1.87	1,107.99
	TOTAL EQUITY AND LIABILITIES		**39,343.67**	**(3.07)**	**39,340.60**

Notes to financial statements for the year ended 31 March 2017

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

Reconciliation of Consolidated Profit and Loss for the year ended 31 March 2016

		Note No.	Indian GAAP (Reported)	Effect of Transition	Ind AS
I	**Revenue**				
	Revenue from operations	a, j, k	30,780.80	355.14	31,135.94
	Other income	a, c, k, l	895.44	(29.31)	866.13
	Total income		**31,676.24**	**325.83**	**32,002.07**
II	**Expenses**				
	Purchase of stock-in-trade	a	812.53	0.20	812.73
	Changes in inventories of stock-in-trade		(108.75)	-	(108.75)
	Employee benefits expense	a, e, f	15,093.18	110.07	15,203.25
	Finance costs	a	73.81	0.09	73.90
	Depreciation and amortization expense	a, b, g	392.95	16.91	409.86
	Outsourcing costs	a, j	4,875.98	138.16	5,014.14
	Other expenses	a, c, g, j, l	3,567.40	(6.38)	3,561.02
	Total expenses		**24,707.10**	**259.05**	**24,966.15**
III	**Profit before share of profit of associate and tax**		**6,969.14**	**66.78**	**7,035.92**
IV	Share of profit of associates	a, b	56.20	(51.44)	4.76
V	**Profit before tax**		**7,025.34**	**15.34**	**7,040.68**
VI	**Tax expense**				
	Current tax	a, i, l	1,573.84	89.66	1,663.50
	Deferred tax credit	a, b, d	(209.95)	(14.55)	(224.50)
	Total tax expense		1,363.89	75.11	1,439.00
VII	**Profit for the year**		**5,661.45**	**(59.77)**	**5,601.68**
VIII	**Other comprehensive income**				
(A)	(i) Items that will not be reclassified to statement of profit and loss	e	-	11.27	11.27
	(ii) Income tax on items that will not be reclassified to statement of profit and loss	e	-	(2.48)	(2.48)
(B)	(i) Items that will be reclassified subsequently to statement of profit and loss		-	-	130.57
	(ii) Income tax on items that will be reclassified to statement of profit and loss		-	-	(11.60)
IX	**Total other comprehensive income**		-	-	**127.76**
X	**Total comprehensive income for the year**		**5,661.45**		**5,729.44**
	Profit for the year attributable to				
	Shareholders of the Company		5,643.04	(40.61)	5,602.43
	Non-controlling interest		18.41	(19.16)	(0.75)
			5,661.45	(59.77)	5,601.68
	Total comprehensive income for the year attributable to				
	Shareholders of the Company		5,643.04	87.15	5,730.19
	Non-controlling interest		18.41	(19.16)	(0.75)
			5,661.45	67.99	5,729.44

Notes to financial statements for the year ended 31 March 2017
(All amounts in crores of ₹, except share data and as stated otherwise)

Footnotes to the reconciliation of equity as at 1 July 2015 and 31 March 2016 and consolidated statement of profit and loss for the year ended 31 March 2016 are as follows:

a) **Unconsolidated subsidiaries**

Arrangements with "State Street International Holdings"

The Group has equity interest of 49% and 100% dividend rights in arrangements with "State Street International Holdings. Under Previous GAAP, the Group has treated these arrangements as its associate and thereby applied the equity method of accounting. Under Ind AS, the Group has treated arrangements with "State Street International Holdings" as its subsidiary and thereby applied line by line consolidation. The value of investment in associates recognized under Previous GAAP was ₹96.94 crores as on 1 July, 2015 and ₹157.73 crores as on 31 March 2016 which has now been reduced from the value of investment in associate under Ind AS.

HCL South Africa Share Ownership Trust (SA Trust)

SA Trust, an ESOP trust of one of the Group's subsidiary, holds 30% of the share capital of three of the Group's subsidiaries i.e. "HCL Axon (Proprietary) Limited", "HCL Technologies South Africa (Proprietary) Limited" and "Anzospan Investments Pty Limited". Under Previous GAAP, the ESOP trust was not considered for consolidation and hence 30% minority interest was provided in share of equity interest in three of the Group's above mentioned subsidiaries. Under Ind AS, the Group has consolidated SA Trust and accordingly increased its share of holding in three subsidiaries from 70% to 100% by which "minority interest" and "foreign currency translation reserve" has reduced by ₹ 81.82 crores and ₹ 0.40 crores respectively with corresponding increase in retained earnings of ₹ 75.53 crores and decrease in assets of ₹ 6.69 crores as on the transition date.

Impact of above changes on the consolidated financial statements is given below:

Particulars	State Street Subsidiaries		SA Trust	
	1st July, 2015	31st March,2016	1st July, 2015	31st March, 2016
I. ASSETS				
(1) Non-current assets				
(a) Property, plant and equipment	22.44	36.30	-	-
(b) Capital work in progress	2.22	4.83	-	-
(c) Goodwill	10.50	10.50	-	-
(d) Other intangible assets	0.45	0.17	-	-
(f) Financial assets				
(i) Investments	(96.94)	(157.73)	-	-
(ii) Others	3.90	5.60	-	-
(g) Deferred tax assets (net)	11.24	19.86	-	-
(h) Other non-current assets	1.40	1.57	-	-
(2) Current assets				
(a) Financial assets				
(i) Trade receivables	24.37	39.32	(0.02)	-
(ii) Cash and cash equivalents	16.90	8.92	0.39	0.30
(iii) Other bank balances	28.84	39.93	-	-
(iv) Loans	-	0.40	-	-
(v) Others	0.48	15.16	(0.30)	(0.66)
(b) Other current assets	14.19	6.34	(6.76)	(6.12)
TOTAL ASSETS	**39.99**	**31.17**	**(6.69)**	**(6.48)**
II. EQUITY				
(a) Other equity	-	-	(6.69)	(6.51)

Notes to financial statements for the year ended 31 March 2017

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

Particulars	State Street Subsidiaries		SA Trust	
	1st July, 2015	31st March,2016	1st July, 2015	31st March, 2016
III. LIABILITIES				
(1) Non - current liabilities				
(a) Provisions	0.45	0.82	-	-
(b) Other non-current liabilities	1.37	-	-	-
(2) Current liabilities				
(a) Financial liabilities				
(i) Trade payables	1.20	3.88	-	-
(ii) Others	6.70	21.43	-	-
(b) Other current liabilities	27.40	0.99	-	0.03
(c) Provisions	1.61	2.18	-	-
(d) Current tax liabilities (net)	1.26	1.87	-	-
TOTAL EQUITY AND LIABILITIES	**39.99**	**31.17**	**(6.69)**	**(6.48)**

Impact on the consolidated statement of profit and loss for the year ended 31 March 2016 is given below:

Particulars	State Street Subsidiaries	SA Trust
I Revenue		
Revenue from operations	187.40	-
Other income	1.98	(0.21)
Total income	**189.38**	**(0.21)**
II Expenses		
Purchase of stock-in-trade	0.20	-
Employee benefits expense	97.41	-
Finance costs	0.09	-
Depreciation and amortization expense	5.88	-
Other expenses	33.32	0.01
Total expenses	**136.90**	**0.01**
III Profit (loss) before tax	**52.48**	**(0.22)**
IV Tax expense		
Current tax	10.07	-
Deferred tax credit	(8.62)	-
Total tax expense	1.45	-
V Profit (loss) for the year before share of profit of associates	**51.03**	**(0.22)**
VI Share of profit of associates	(51.03)	-
VII Profit (loss) for the year	-	**(0.22)**

b) **Business Combinations post transition date**

The Group during the previous financial year has entered into acquisitions and arrangements falling under Ind AS 103 "Business Combinations". The Group has accordingly accounted for these business combinations after the transition date as per Ind AS 103 in the comparative balance sheet. Impact of the same as on 31st March 2016 is given below:

Balance Sheet as at 31 March 2016

Acquisitions / Arrangements	Other Intangible assets	Goodwill	Investment in Associates	Deferred Consideration	Deferred tax assets (net)	Other equity
Trygstad Technical Services Inc.	5.75	(11.29)	-	(2.31)	0.46	(2.77)
Concept to Silicon Systems (C2SiS)	0.25	(1.27)	-	-	-	(1.02)
Powerteam LLC	42.97	(78.61)	-	(27.59)	4.00	(4.05)
Formation of Joint Venture with CSC	11.92	-	(0.89)	-	(11.80)	(0.77)
Point to Point (P2P)	11.53	(9.96)	-	-	(2.31)	(0.74)
IT Division of Volvo	55.59	(55.59)	-	-	-	-

Notes to financial statements for the year ended 31 March 2017
(All amounts in crores of ₹, except share data and as stated otherwise)

Statement of Profit and Loss for the period ended 31 March 2016

Acquisitions / Arrangements	Amortization of Intangibles	Tax expense	Share of loss in associates	Net Impact
Trygstad Technical Services Inc.	3.23	(0.45)	-	(2.78)
Concept to Silicon Systems (C2SiS)	1.02	-	-	(1.02)
Powerteam LLC	8.13	(4.00)	-	(4.13)
Formation of Joint Venture with CSC	-	(0.12)	(0.89)	(0.77)
Point to Point (P2P)	0.91	(0.18)	-	(0.73)

c) **Leasehold deposits**

Under Ind AS, long term lease deposits are required to be initially measured at fair value and subsequently at amortized cost using the effective interest method. Accordingly, fair value adjustment of ₹ 68.76 crores (1 July 2015) and ₹ 66.96 crores (31 March 2016) on security deposits has been recognized against increase in prepaid assets of ₹ 58.41 crores (1 July 2015) and ₹ 56.07 crores (31 March 2016) and decrease in retained earnings of ₹ 10.35 crores (1 July 2015) and ₹ 10.89 crores (31 March 2016). Additionally, for the year ended 31 March 2016, interest income on deposit of ₹3.92 crores and rent expense of ₹4.45 crores is recognized in the statement of profit and loss. No such accounting was prescribed under Previous GAAP.

d) **Fair value through profit and loss financial assets**

Under Previous GAAP, the Group accounted for investments in mutual funds as investment measured at the lower of cost and fair value. Under Ind AS, the Group has measured these investments at fair value through profit and loss. Accordingly, difference of ₹ 3.39 crores as at the transition date and difference of ₹ 1.42 crores as at 31 March 2016 between the instruments' fair value under Ind AS and Previous GAAP carrying amount has been identified and recognized through statement of profit and loss (after netting of related deferred taxes of ₹ 1.18 crores) for ₹ 1.97 crores.

e) **Defined benefit obligations**

Both under Previous GAAP and Ind AS, the Group recognized costs related to its post-employment defined benefit plan on an actuarial basis. Under Previous GAAP, the entire cost, including actuarial gains and losses, are charged to the statement of profit and loss. Under Ind AS, re-measurements [comprising of actuarial gains and losses] are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus the employee benefit cost for the year ended 31 March 2016 has increased by ₹ 11.26 crores and re-measurement gain / loss on defined benefit plans net of related deferred taxes of ₹ 2.48 crores has been recognized in the retained earnings.

f) **Share-based payments**

Under Previous GAAP, the Group recognized the intrinsic value of the share options as expense over the vesting period. Ind AS requires the fair value of the share options to be determined using an appropriate pricing model and to be recognized as expense over the vesting period. Accordingly, additional expense of ₹ 1.40 crores has been recognized in the statement of profit and loss for the difference between the fair value and intrinsic value for the year ended 31 March 2016.

Fair value adjustment of ₹ 8.01 crores on share options which were granted before and unvested as at transition date have also been recognized as a benefit in retained earnings with the corresponding decrease in share based payment reserve.

g) **Leasehold Land**

Leasehold land was not classified as lease arrangement on account of specific exclusion under Previous GAAP. However, as per Ind AS 17 it is accounted for as operating lease as the arrangement does not satisfy the conditions for classification as finance lease. Accordingly, written down value of leasehold land as at transition date of ₹ 258.07 crores and 31 March 2016 of ₹ 257.53 crores has been reclassified from property, plant and equipment to prepaid expenses and similarly capital advance of ₹ 85.75 crores paid towards purchase of leasehold land has been reclassified from capital advances to advances to suppliers. This change also has a reclassification impact of ₹ 2.26 crores on the statement of profit and loss for the year ended 31 March 2016 from depreciation to rent expense.

h) **Classification of Provision for Employee Leave Benefit**

Under Previous GAAP, where the employee had unconditional right to avail accumulated leave, the same was classified as "current" even though it is measured as non-current under the prescribed guidance. Under Ind AS, provision for employee leave benefit is measured under the prescribed guidance as determined by a qualified actuary. Accordingly, non-current provision for leave benefits of ₹ 318.63 crores and ₹ 355.12 crores as on 1 July 2015 and 31 March 2016 respectively has been re-classified as non-current provision for leave benefits.

i) **Current and deferred tax arising from share-based payment transactions**

In some tax jurisdictions, the amount of tax deduction is measured based on the entity's share price at the date of exercise when it differs from the related cumulative remuneration expense. The same was recognized in statement of profit and loss under Previous GAAP. Under Ind AS, if the amount of tax deduction exceeds the amount of the related cumulative remuneration expense, the excess of the associated current or deferred tax is to be recognized directly in retained earnings based on the entity's share price at the end of each period. Accordingly, as at the date of transition, deferred tax assets of ₹ 74.10 crores have been recorded with corresponding increase in the retained earnings. As at 31 March 2016, deferred tax assets are re-measured at ₹ 23.44 crores, with increase in "Tax Expense" by ₹ 34.96 crores due to exercise and decrease in retained earnings of ₹ 15.70 crores based on the entity's share price at the end of the period.

j) **Revenue recognition**

In instances when revenue is derived from sales of third-party vendor services, material or licenses, revenue is recorded on a gross basis when the Group is a principal to the transaction and net of costs when the Group is acting as an agent between the customer and the vendor. Several factors are considered to determine whether the Group is a principal or an agent, most notably whether the Group is the primary obligor to the customer, has established its own pricing, and has inventory and credit risks.

Under Previous GAAP, the Group recognized the reimbursement of out-of-pocket expenses net of corresponding out-of-pocket expenses. However, under Ind AS, Revenue includes reimbursement of out-of-pocket expenses, with the corresponding out-of-pocket expenses included in cost of revenues in the statement of profit and loss. Accordingly, this change has resulted in increase in "revenue from operations" and "other expenses" by ₹137.68 crores with net NIL impact in the statement of profit and loss.

k) **Cash Flow Hedge**

Under Previous GAAP, changes in foreign exchange forward contracts and options in respect of forecast transactions which meet the hedging criteria and designated as cash flow hedges are recognized in the statement of profit and loss on occurrence of hedged transaction and were presented as part of "Revenue". Under Ind AS,the Group has assessed the presentation of the same in its consolidated financial statements and believes that the fair value changes should be presented as part of "Other Income / Expense". Accordingly, this change has resulted in increase in "revenue from operations" and decrease in "other income" by ₹30.06 crores with net NIL impact in the statement of profit and loss.

Notes to financial statements for the year ended 31 March 2017
(All amounts in crores of ₹, except share data and as stated otherwise)

l) **Interest to / from the taxing authority**

Under Previous GAAP, interest and penalties levied under income tax legislations were treated as expense in arriving at profit before tax and was presented under Other Expenses. Under Ind AS, the Group has adopted the accounting policy of treating the same as part of “Tax Expense”. Accordingly, this change has resulted in decrease in “Other Expenses” by ₹46.42 crores with corresponding increase in “Current Tax” with net NIL impact in the statement of profit and loss.

m) **Statement of cash flows**

The transition from Previous GAAP to Ind AS has not had a material impact on the statement of cash flows.

5. Previous year comparatives

The previous financial year of the Group was for nine months from 1 July 2015 to 31 March 2016. The figures for the current financial year are therefore not comparable with those of the previous year.

As per our report of even date

FOR S. R. BATLIBOI & CO. LLP
ICAI Firm Registration Number : 301003E / E300005
Chartered Accountants

per Tridibes Basu
Partner
Membership Number: 17401

Gurgaon, India
11 May, 2017

For and on behalf of the Board of Directors
of HCL Technologies Limited

Shiv Nadar
Chairman and Chief Strategy Officer

Keki Mistry
Director

C. Vijayakumar
President and Chief Executive Officer

Anil Chanana
Chief Financial Officer

Prahlad Rai Bansal
Deputy Chief Financial Officer

Manish Anand
Company Secretary

Noida (UP), India
11 May, 2017

Statement containing the salient features of the financial statements of subsidiaries/ associates companies

[Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-I]

(Amount in ₹ Thousand)

S.No.	Name of the Subsidiary Company	Financial period ended	Reporting Currency	Exchange Rate as on respective balance sheet date	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (other than in subsidiaries)	Turnover	Profit/(Loss) before taxation	Provision for taxation	Profit / (Loss) after taxation	Proposed Dividend	% of share holding
1	HCL Comnet Systems & Services Limited	31-Mar-17	INR	1.00	12,800	181,197	530,278	336,281	103,174	435,277	46,565	28,213	18,352	-	100%
2	HCL Comnet Limited	31-Mar-17	INR	1.00	9,499	1,919,846	5,056,059	3,126,714	1,189,381	4,625,520	(77,188)	384,078	(461,266)	-	100%
3	HCL Bermuda Limited	31-Mar-17	USD	64.88	28,902,440	16,289,108	45,553,545	361,997	-	-	518,879	-	518,879	-	100%
4	HCL Technologies (Shanghai) Limited	31-Dec-16	CNY	9.78	149,842	278,992	1,487,885	1,059,051	-	1,117,635	109,449	24,917	84,532	-	100%
5	HCL Eagle limited	31-Mar-17	INR	1.00	1,000	110,981	189,251	77,270	124,384	272,560	58,718	19,323	39,395	-	92%
6	HCL Singapore Pte. Limited	31-Mar-17	SGD	46.43	94,485	2,187,555	4,601,474	2,319,434	-	9,570,230	1,236,187	203,888	1,032,299	-	100%
7	HCL Training & Staffing Services Private Limited	31-Mar-17	INR	1.00	17,513	322,597	821,847	481,737	600,614	1,238,480	505,024	169,607	335,417	-	100%
8	HCL Great Britain Limited	31-Mar-17	GBP	80.85	854,433	2,996,338	9,667,839	5,817,068	-	21,015,924	1,721,803	151,838	1,569,965	-	100%
9	HCL (Netherlands) BV	31-Mar-17	EUR	69.32	1,258	71,307	817,660	745,095	-	2,614,800	164,635	41,056	123,579	-	100%
10	HCL Belgium NV	31-Mar-17	EUR	69.32	247,332	246,598	817,112	323,182	-	1,263,346	106,374	36,513	69,861	-	100%
11	HCL Sweden AB	31-Mar-17	SEK	7.27	727	1,040,753	2,446,215	1,404,735	-	5,568,957	315,295	83,632	231,663	-	100%
12	HCL GmbH	31-Mar-17	EUR	69.32	1,781	341,064	2,521,850	2,179,005	-	5,654,018	347,441	95,853	251,588	-	100%
13	HCL Italy SRL	31-Mar-17	EUR	69.32	707	150,367	248,400	97,326	-	210,676	8,372	1,175	7,197	-	100%
14	HCL Australia Services Pty. Limited	31-Mar-17	AUD	49.59	24,793	934,181	3,329,805	2,370,831	-	12,534,079	610,477	190,101	420,376	-	100%
15	HCL (New Zealand) Limited	31-Mar-17	NZD	45.31	2,103	169,744	679,456	507,609	-	2,070,764	146,989	41,457	105,532	-	100%
16	HCL Hong Kong SAR Limited	31-Mar-17	HKD	8.35	1,613	171,280	543,098	370,205	-	1,066,102	89,676	14,733	74,943	-	100%
17	HCL Japan Limited	31-Mar-17	JPY	0.58	127,622	47,313	1,468,852	1,293,917	-	6,024,166	27,701	22,196	5,505	-	100%
18	HCL America Inc.	31-Mar-17	USD	64.88	484,921	41,209,742	96,249,148	54,554,485	230,359	227,597,456	10,074,797	1,633,900	8,440,897	-	100%
19	HCL Technologies Austria GmbH	31-Mar-17	EUR	69.32	32,743	5,821,843	6,075,298	220,712	-	178,825	30,067	1,253	28,814	-	100%
20	HCL Global Processing Services Limited	31-Mar-17	INR	1.00	1,061	436,100	442,989	5,828	261,817	62,529	84,570	17,068	67,502	-	100%
21	HCL Technologies (Taiwan) Ltd. (Note 3)	31-Mar-17	TWD	2.14	10,688	(2,713)	11,244	3,269	-	-	(3,268)	(555)	(2,713)	-	100%
22	HCL Technologies Lithuania UAB (Note 3)	31-Mar-17	EUR	69.32	6,238	3,826	135,128	125,064	-	117,844	4,501	675	3,826	-	100%
23	HCL Technologies Solutions Limited	31-Mar-17	INR	1.00	10,501	50,399	63,760	2,860	35,862	-	1,193	-	1,193	-	100%
24	HCL Poland Sp.z.o.o	31-Mar-17	PLN	16.42	227,467	314,053	1,903,331	1,361,811	-	3,091,726	229,979	-	229,979	-	100%
25	HCL EAS Limited	31-Mar-17	USD	64.88	10,222,138	(2,115,760)	47,870,976	39,764,598	-	271,636	40,256	60,615	(20,359)	-	100%
26	HCL Insurance BPO Services Limited	31-Mar-17	GBP	80.85	655,702	108,421	1,225,701	461,578	-	1,787,777	48,430	(81)	48,511	-	100%
27	HCL Expense Management Services Inc. #	31-Mar-17	USD	64.88	-	347,290	347,290	-	-	-	2,203	-	2,203	-	100%
28	Axon Group Limited	31-Mar-17	GBP	80.85	54,817	16,117,081	16,176,506	4,608	-	-	20,536	-	20,536	-	100%
29	HCl Axon Technologies Inc.	31-Mar-17	CAD	48.60	10,076	2,288,980	5,217,867	2,918,811	-	7,403,998	1,785,019	470,796	1,314,223	-	100%
30	HCL Technologies Solutions GmbH	31-Mar-17	CHF	64.83	7,780	22,294	368,702	338,628	-	641,430	35,324	12,617	22,707	-	100%
31	Axon Solutions Pty. Limited	31-Mar-17	AUD	49.59	1,072,426	(937,198)	198,958	63,730	-	265,723	26,787	8,755	18,032	-	100%

Statement containing the salient features of the financial statements of subsidiaries/ associates companies

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(Amount in ₹ Thousand)

S.No.	Name of the Subsidiary Company	Financial period ended	Reporting Currency	Exchange Rate as on respective balance sheet date	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (other than in subsidiaries)	Turnover	Profit/(Loss) before taxation	Provision for taxation	Profit / (Loss) after taxation	Proposed Dividend	% of share holding
32	Axon Solutions Inc.	31-Mar-17	USD	64.88	2,009	6,196,484	8,256,358	2,057,865	-	11,422,043	403,813	(64,822)	468,635	-	100%
33	Axon Solutions Limited	31-Mar-17	GBP	80.85	81	3,571,755	5,345,221	1,773,385	-	7,712,377	710,842	128,634	582,208	-	100%
34	HCL Axon Malaysia Sdn. Bhd.	31-Mar-17	MYR	14.66	322,498	782,183	1,511,689	407,008	-	1,798,153	256,195	62,141	194,054	-	100%
35	Axon Solutions Singapore Pte. Limited	31-Mar-17	SGD	46.43	4,643	(63,877)	77,746	136,980	-	125,804	4,515	1,089	3,426	-	100%
36	Axon Solutions (Shanghai) Co. Limited	31-Dec-16	CNY	9.78	20,243	581,677	2,262,534	1,660,614	-	1,695,379	443,683	93,946	349,737	-	100%
37	HCL Axon (Proprietary) Limited	31-Mar-17	ZAR	4.85	422,333	2,355,714	3,670,510	892,463	-	3,838,405	616,635	181,329	435,306	-	100%
38	HCL Argentina s.a.	31-Mar-17	ARS	4.21	12,466	10,527	151,733	128,740	-	84,764	10,133	(394)	10,527	-	100%
39	HCL Mexico S. de R.L.	31-Dec-16	MXN	3.28	51,248	(35,679)	1,395,228	1,379,659	-	2,097,849	(11,535)	59,481	(71,016)	-	100%
40	HCL Technologies Romania s.r.l.	31-Dec-16	RON	15.78	5,575	2,654	34,584	26,355	-	29,771	186	(436)	622	-	100%
41	HCL Hungary Kft	31-Mar-17	HUF	0.22	2,024	1,403	74,085	70,658	-	84,868	4,556	1,900	2,656	-	100%
42	HCL Latin America Holding LLC	31-Mar-17	INR	1.00	735,828	24,677	871,655	111,150	-	-	(2,597)	-	(2,597)	-	100%
43	HCL (Brazil) Technologia da informacao Ltda.	31-Dec-16	BRL	20.87	636,584	(452,406)	1,126,875	942,697	-	1,516,851	38,713	3,280	35,433	-	100%
44	HCL Technologies Denmark Apps	31-Mar-17	DKK	9.32	30,457	178,308	1,005,568	796,803	-	2,708,726	116,288	25,716	90,572	-	100%
45	HCL Technologies Norway AS	31-Mar-17	NOK	7.56	22,621	607,583	2,972,731	2,342,527	-	6,034,512	218,642	53,097	165,545	-	100%
46	PT. HCL Technologies Indonesia Limited	31-Mar-17	IDR	0.00	44,190	(7,303)	232,662	195,775	-	194,974	(3,526)	(166)	(3,360)	-	100%
47	HCL Technologies Philippines Inc.	31-Mar-17	PHP	1.29	350,907	238,083	770,008	181,018	-	1,242,700	196,289	57,048	139,241	-	100%
48	HCL Technologies South Africa (Proprietary) Limited	31-Mar-17	ZAR	4.85	14,442	187,033	265,528	64,053	-	115,739	17,351	(4,809)	22,160	-	100%
49	HCL Arabia LLC	31-Dec-16	SAR	18.10	110,433	(16,243)	165,215	71,025	-	181,469	38,408	(2,736)	41,144	-	100%
50	HCL Technologies France	31-Mar-17	EUR	69.32	174,400	306,009	4,056,780	3,576,371	-	5,796,402	285,450	114,116	171,334	-	100%
51	Filial Espanola De HCL Technologies S.L	31-Mar-17	EUR	69.32	20,795	29,759	229,205	178,651	-	423,287	22,197	5,465	16,732	-	100%
52	Anzospan Investments Pty Limited	31-Mar-17	ZAR	4.85	436,896	(4,502)	437,553	5,159	-	-	(1,769)	-	(1,769)	-	100%
53	HCL Investments (UK) Limited	31-Mar-17	GBP	80.85	517,859	(2,268)	517,521	1,930	-	-	(355)	(68)	(287)	-	100%
54	HCL America Solutions Inc.	31-Mar-17	USD	64.88	649	(19,089)	2,486,376	2,504,816	-	6,110,866	153	22,400	(22,247)	-	100%
55	HCL Technologies Chile Spa	31-Dec-16	CLP	0.10	61,284	91,108	360,086	207,694	-	319,253	41,977	(1,338)	43,315	-	100%
56	HCL Technologies UK Limited	31-Mar-17	GBP	80.85	1,143,557	578,570	14,432,874	12,710,747	112,060	16,104,064	305,374	71,715	233,659	-	100%
57	HCL Technologies B.V.	31-Mar-17	EUR	69.32	6,932	79,227	595,362	509,203	-	1,166,995	85,057	21,222	63,835	-	100%
58	HCL (Ireland) Information Systems Limited	31-Mar-17	EUR	69.32	6,932	83,982	538,696	447,782	-	1,952,640	59,590	9,260	50,330	-	100%
59	HCL Technologies Germany Gmbh	31-Mar-17	EUR	69.32	6,932	76,359	1,646,284	1,562,993	-	2,904,769	134,659	29,241	105,418	-	100%
60	HCL Technologies Belgium BVBA	31-Mar-17	EUR	69.32	6,932	(21,848)	680,552	695,468	-	908,917	1,406	1,326	80	-	100%
61	HCL Technologies Sweden AB	31-Mar-17	SEK	7.27	6,976	3,664,990	18,460,967	14,789,001	-	28,479,704	1,088,327	252,910	835,417	-	100%
62	HCL Technologies Finland Oy	31-Mar-17	EUR	69.32	6,932	94,806	486,230	384,492	-	678,912	46,046	9,337	36,709	-	100%

Statement containing the salient features of the financial statements of subsidiaries/ associates companies

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(Amount in ₹ Thousand)

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63	HCL Technologies Italy S.P.A	31-Mar-17	EUR	69.32	69,316	39,546	1,067,372	958,510	-	1,488,079	54,047	21,964	32,083	-	100%
64	HCL Technologies Columbia S.A.S	31-Dec-16	COP	0.02	10,545	4,152	79,209	64,512	-	35,054	4,044	8,726	(4,682)	-	100%
65	HCL Technologies Middle East FZ-LLC	31-Mar-17	AED	17.67	3,534	(46,777)	318,445	361,688	-	133,442	(37,479)	-	(37,479)	-	100%
66	HCL Istanbul Bilisim Teknolojileri Limited Sirketi	31-Mar-17	TRY	17.81	1,781	48,765	210,645	160,099	-	267,738	42,316	8,991	33,325	-	100%
67	HCL Technologies Greece Single Member P.C	31-Mar-17	EUR	69.32	30,568	857	59,685	28,260	-	46,959	1,403	491	912	-	100%
68	HCL Technologies S.A.	31-Mar-17	VEF	6.50	16,236	(269,818)	93,975	347,557	-	80,818	(131,165)	-	(131,165)	-	100%
69	HCL Technologies Beijing Co. Ltd	31-Dec-16	CNY	9.78	61,838	5,685	160,932	93,409	-	46,356	7,288	2,793	4,495	-	100%
70	HCL Technologies Luxembourg S.a r.l	31-Mar-17	EUR	69.32	3,466	15,116	24,911	6,329	-	22,652	1,273	418	855	-	100%
71	HCL Technologies Egypt Limited	31-Mar-17	EGP	0.28	1,184	(679)	3,372	2,867	-	2,441	(637)	44	(681)	-	100%
72	HCL Technologies Estonia OÜ	31-Mar-17	EUR	69.32	13,863	(11,112)	58,650	55,899	-	45,956	(3,797)	-	(3,797)	-	100%
73	HCL Technologies (Thailand) Ltd.	31-Mar-17	THB	1.89	37,071	907	125,252	87,274	-	99,137	3,686	1,093	2,593	-	100%
74	HCL Technologies Czech Republic s.r.o.	31-Dec-16	CZK	2.65	48,352	(10,876)	154,192	116,716	-	118,005	(8,366)	-	(8,366)	-	100%
75	HCL Muscat Technologies L.L.C.	31-Mar-17	OMR	168.53	29,274	3,351	46,383	13,758	-	37,181	3,351	-	3,351	-	100%
76	CeleritiFintech Limited	31-Mar-17	GBP	80.85	3,524,133	(129,442)	3,894,269	499,578	-	715,612	(108,987)	(11,481)	(97,506)	-	51%
77	CeleritiFintech USA, Inc. #	31-Mar-17	USD	64.88	-	49,731	904,705	854,974	-	2,411,868	20,877	4,871	16,006	-	51%
78	CeleritiFintech Australia Pty Limited	31-Mar-17	AUD	49.59	28,264	6,965	204,007	168,778	-	192,441	9,900	2,975	6,925	-	51%
79	CeleritiFintech Germany GmbH	31-Mar-17	EUR	69.32	3,050	4,580	80,676	73,046	-	65,942	6,206	1,592	4,614	-	51%
80	CeleritiFintech Italy S.R.L.	31-Mar-17	EUR	69.32	20,379	9,341	258,565	228,845	-	341,451	15,970	6,560	9,410	-	51%
81	Concept2Silicon Systems Private Limited	31-Mar-17	INR	1.00	150	11,726	83,357	71,481	-	107,397	(13,190)	(2,521)	(10,669)	-	100%
82	Powerteam, LLC	31-Mar-17	USD	64.88	81	2,542,231	2,912,935	370,623	-	3,099,802	300,867	141,039	159,828	-	100%
83	Point To Point Limited	31-Mar-17	GBP	80.85	13,302	78,505	101,857	10,050	-	182,640	3,091	(614)	3,705	-	100%
84	Point to Point Products Limited #	31-Mar-17	GBP	80.85	-	24,748	36,165	11,417	-	195,166	10,986	1,814	9,172	-	100%
85	Statestreet HCL Holding UK Limited (Note 6)	31-Mar-17	GBP	80.85	517,078	(2,656)	516,464	2,042	-	-	(268)	(114)	(154)	-	100%
86	Statestreet HCL Services (India) Private Limited (Note 6)	31-Mar-17	INR	1.00	393,693	1,888,115	2,680,485	398,677	-	2,663,304	893,144	23,149	869,995	-	100%
87	Statestreet HCL Services (Phillipines) Inc. (Note 6)	31-Mar-17	PHP	1.29	110,808	126,594	294,460	57,058	-	410,838	89,699	-	89,699	-	100%
88	Geometric Europe GmbH (Note 4)	31-Mar-17	EUR	69.32	973,893	(374,157)	1,338,183	738,447	-	1,467,339	(112,541)	6,541	(119,082)	-	100%
89	Geometric Asia Pacific Pte. Ltd (Note 4)	31-Mar-17	SGD	46.43	4,643	111,223	307,343	191,477	-	485,342	19,747	30,486	(10,739)	-	100%
90	Geometric China, Inc. (Note 4)	31-Mar-17	CNY	9.42	30,901	26,496	145,304	87,907	-	249,824	(14,179)	(4,995)	(9,184)	-	100%
91	Geometric Americas, Inc. (Note 4)	31-Mar-17	USD	64.88	782,602	9,217	1,878,737	1,086,917	-	5,383,970	294,649	136,577	158,071	-	100%
92	Geometric SRL (Note 4)	31-Mar-17	RON	15.23	5	55,192	60,603	5,406	-	82,569	18,077	2,102	15,975	-	100%

Statement containing the salient features of the financial statements of subsidiaries/ associates companies

[Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-I]

(Amount in ₹ Thousand)

S.No.	Name of the Subsidiary Company	Financial period ended	Reporting Currency	Exchange Rate as on respective balance sheet date	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (other than in subsidiaries)	Turnover	Profit/(Loss) before taxation	Provision for taxation	Profit / (Loss) after taxation	Proposed Dividend	% of share holding
93	Geometric SAS (Note 4)	31-Mar-17	EUR	69.32	168,924	(78,054)	698,594	607,724	-	810,650	2,315	-	2,315	-	100%
94	Butler America Aerospace LLC (Note 4)	31-Mar-17	USD	64.88	-	5,405,771	5,836,481	430,710	-	1,850,140	56,249	26,499	29,750	-	100%
95	HCL Foundation	31-Mar-17	INR	1.00	500	(142)	386	28	-	-	(29)	-	(29)	-	100%

Notes:

1 Indian rupee equivalents of the figures given in foreign currencies in the accounts of the subsidiary companies, are based on the exchange rates as mentioned above for respective subsidiary.

2 # Refer table given below for absolute amount of share capital in the following company:

Name of the Subsidiary Company	Share Capital (₹)
HCL Expense Management Services Inc.	65
Point to Point Products Limited	162
CeleritiFintech USA, Inc.	1

3 Following entities were incorporated during the year:
* HCL Technologies Lithuania UAB, a subsidiary of HCL Technologies UK Limited, has been incorporated on 26 August 2016.
* HCL Technologies (Taiwan) Ltd., a subsidiary of HCL Technologies UK Limited, has been incorporated on 15 December 2016.

4 Following entities were acquired during the year:
* Geometric Americas, Inc. was acquired on 1 April 2016.
* Geometric Asia Pacific Pte. Ltd was acquired on 1 April 2016.
* Geometric Europe GmbH was acquired on 1 April 2016.
* Geometric China, Inc. was acquired on 1 April 2016.
* Geometric SRL was acquired on 1 April 2016.
* Geometric SAS was acquired on 1 April 2016.
* Butler America Aerospace LLC was acquired 3 January 2017.

5 Following entities were dissolved during the year:
* HCL BPO Services (NI) Limited was dissolved on 24 January 2017.
* HCL (Malaysia) Sdn. Bhd. was dissolved on 27 June, 2016.

6 The Group has equity interest of 49% and 100% dividend rights and control.

For HCL Technologies Limited

Shiv Nadar
Chairman and Chief Strategy Officer

Keki Mistry
Director

C. Vijayakumar
President and Chief Executive Officer

Anil Chanana
Chief Financial Officer

Prahlad Rai Bansal
Deputy Chief Financial Officer

Manish Anand
Company Secretary

Place: Noida, UP (India)
Date: 18 August , 2017

Statement containing the salient features of the financial statements of subsidiaries / associates companies
[Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-I]

(Amount in ₹ Thousand)

Name of Associate	**CeleritiFintech Services Limited***
Latest audited Balance Sheet Date	#
Shares of Associates held by the Company on the year end	
Number of shares	14,820,000
Amount of Investment in Associates	1,198,204
Extent of Holding %	49%
Description of how there is significant influence	Refer Note 1
Reason why the associates is not consolidated	Refer Note 1
Networth attributable to Shareholding as per latest audited Balance Sheet	#
Profit/(Loss) for the year	#
Considered in Consolidation	21,011
Not Considered in Consolidation	#

* Consolidated results of CeleritiFintech Services Limited includes results of its following wholly owned subsidiaries:
- CeleritiFinTech Services USA Inc.
- CeleritiFinTech Services Australia Pty. Limited
- CeleritiFintech Services Italy S.R.L.
- CeleritiFintech Services Germany, GmbH
- CeleritiFintech Services India Pvt. Ltd.

The financial statement for the associate are under review.

Note:

1. Pursuant to Ind AS 28 on “Investments in Associates and Joint Ventures” the investment in CeleritiFinTech Services Limited is accounted for by the equity investment method as the Group has the ability to exercise significant influence over this entity.

For HCL Technologies Limited

Shiv Nadar
Chairman and Chief Strategy Officer

Keki Mistry
Director

C. Vijayakumar
President and Chief Executive Officer

Anil Chanana
Chief Financial Officer

Prahlad Rai Bansal
Deputy Chief Financial Officer

Manish Anand
Company Secretary

Place: Noida, UP (India)
Date: 18 August, 2017