July 28, 2023

The General Manager
BSE Limited
Corporate Relationship Department
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400 001

BSE Scrip Code: 532281

The Manager
National Stock Exchange of India Limited
Listing Department
Exchange Plaza
5th Floor, Plot No. C-1, Block-G
Bandra-Kurla Complex, Bandra(E)
Mumbai-400 051

NSE Scrip Code: HCLTECH

Sub.: Notice of the 31st Annual General Meeting and Annual Report (FY 2022-23)

Dear Sirs,

The 31st Annual General Meeting ("AGM") of the Company will be held on Tuesday, August 22, 2023 at 11:00 A.M. (IST) through Video Conferencing or Other Audio-Visual Means.

Pursuant to the Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Notice of the AGM along with the Annual Report of the Company for the financial year ended March 31, 2023.

The Notice of the AGM and the Annual Report (FY 2022-23) have also been uploaded on the Company's website at www.hcltech.com.

This is for your information and records.

Thanking you,
For **HCL Technologies Limited**

Manish Anand
Digitally signed by Manish Anand
Date: 2023.07.28 15:01:11 +05'30'

Manish Anand
Company Secretary

Encl: a/a

HCL TECHNOLOGIES LIMITED

Corporate Identity Number: L74140DL1991PLC046369
Registered Office: 806, Siddharth, 96, Nehru Place, New Delhi – 110 019
Corporate Office: Plot No.: 3A, Sector-126, Noida - 201 304, U.P., India
Website: www.hcltech.com ; E-mail ID: investors@hcl.com
Telephone: + 91 11 26436336

NOTICE

NOTICE is hereby given that the 31st Annual General Meeting ("AGM") of the members of HCL Technologies Limited ("the Company") will be held on Tuesday, 22nd day of August, 2023 at 11:00 A.M. (IST) through Video Conferencing ("VC") or Other Audio-Visual Means ("OAVM"), as mentioned in the notes to this Notice, to transact the following businesses:

ORDINARY BUSINESS:

Item No. 1 - Adoption of Audited Financial Statements along with the Reports of the Board of Directors and of the Auditors thereon

To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) of the Company for the financial year ended March 31, 2023, together with the Reports of the Board of Directors and of the Auditors thereon, and in this regard, pass the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** the Audited Financial Statements (including Audited Consolidated Financial Statements) of the Company for the financial year ended March 31, 2023, together with the Reports of the Board of Directors and of the Auditors thereon be and are hereby received, considered, and adopted."

Item No. 2 - Re-appointment of Mr. Shikhar Malhotra as a Director liable to retire by rotation

To re-appoint Mr. Shikhar Malhotra (DIN - 00779720), who retires by rotation and being eligible, has offered himself for re-appointment as a Director, liable to retire by rotation, and pass the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Mr. Shikhar Malhotra (DIN - 00779720), who retires by rotation at this meeting and being eligible has offered himself for re-appointment as a Director be and is hereby re-appointed as a Director, of the Company, liable to retire by rotation."

By order of the Board of Directors
For **HCL Technologies Limited**

Manish Anand
Company Secretary
Membership No.: FCS-5022

Date: July 26, 2023
Place: Noida (U.P.)

NOTES:-

1. Pursuant to the General Circular No. 10/2022 dated December 28, 2022 and other circulars issued by the Ministry of Corporate Affairs ("MCA Circulars"), companies are allowed to convene their AGMs through VC / OAVM, without the physical presence of the members at a common venue. Hence, in compliance with the MCA Circulars, the AGM of the Company is being held through VC / OAVM.

   The MCA Circulars read with the Securities and Exchange Board of India ("SEBI") Circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 ("SEBI Circular"), has dispensed with the requirement of sending the physical copies of the AGM Notice and Annual Report to the members. Accordingly, the Notice of the AGM and the Annual Report (2022-23) of the Company are being sent only through electronic mode to those members whose e-mail addresses are registered with the Company / Depositories.

   Members may note that the copies of the Notice of the AGM and the Annual Report (2022-23) are also available on the website of the Company at https://www.hcltech.com, websites of the Stock Exchanges, BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") at https://www.bseindia.com and https://www.nseindia.com, respectively, and website of National Securities Depository Limited ("NSDL") at https://www.evoting.nsdl.com, the agency appointed for facilitating e-voting (including remote e-voting) for the AGM. Members who wish to obtain physical copies of the AGM Notice and the Annual Report (2022-23), may write to us at investors@hcl.com.

2. In compliance with the provisions of Section 108 of the Companies Act, 2013 ("Act") and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the circulars issued by the MCA, the Company is providing the facility of e-voting (including remote e-voting) to its members in respect of the businesses to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system during the remote e-voting period as well as e-voting during the AGM will be provided by NSDL.

3. In accordance with the SEBI Circular and the MCA Circulars, the facility to appoint a proxy to attend and cast votes for the members is not available for this AGM. However, Institutional

/ Corporate members (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy of their board or governing body resolution / authorization, etc., for authorizing their representatives to attend the AGM through VC / OAVM on their behalf and to cast vote through e-voting (including remote e-voting). The said resolution/ authorization shall be sent to the Scrutinizer by e-mail at its registered e-mail address at officenns@gmail.com with a copy marked to NSDL at evoting@nsdl.co.in.

4. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC / OAVM.

5. Members can join the AGM through VC / OAVM mode 30 minutes before the scheduled time of the commencement of the meeting by following the procedure mentioned in the AGM Notice. The facility of participation in the AGM through VC / OAVM will be made available on a first-come first-served basis.

6. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

7. The recorded transcript of the AGM shall also be made available on the website of the Company at www.hcltech.com as soon as possible after the conclusion of the AGM.

8. In order to facilitate its members to receive the AGM Notice and the Annual Report (2022-23) electronically and cast their vote through e-voting (including remote e-voting), the Company has made special arrangement with its Registrar and Share Transfer Agent ("RTA") for temporary registration of e-mail addresses. The process for temporary registration of e-mail address is as under:

   ➢ Members are required to click the following link: https://web.linkintime.co.in/EmailReg/Email_Register.html and complete the registration process as guided therein.

   ➢ Post successful registration of the e-mail, the members would get soft copy of the AGM Notice and the Annual Report (2022-23) and the procedure for e-voting (including remote e-voting) and / or attending virtual AGM, along with the User ID and Password. In case of any queries, members may write to the RTA at rnt.helpdesk@linkintime.co.in.

   For permanent registration of e-mail address, members are requested to register their e-mail addresses as follows:

For shares held in Physical form	1. Visit the link: https://web.linkintime.co.in/EmailReg/Email_Register.html 2. Select the company name *viz.* HCL Technologies Limited. 3. Mention Folio No., Name of the Shareholder, Certificate No., PAN, Mobile number, E-mail ID along with a self-attested copy of your PAN Card/ Aadhar/ Valid Passport etc.
For shares held in Dematerialized form	The members holding shares in electronic mode are requested to register / update their e-mail addresses, PAN and Bank Account details with the Depository Participant where their respective demat accounts are maintained.

9. As the AGM will be held through VC / OAVM, the route map, proxy form and attendance slip are not required and accordingly, not attached to this Notice.

10. Brief profile of the Director to be re-appointed including nature of his expertise, names of companies in which he holds directorships and committee memberships, shareholding in the Company and relationships with other directors, etc., are provided in Annexure A of this Notice.

11. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the Directors are interested maintained under Section 189 of the Act, will be available electronically for inspection during the AGM at NSDL e-voting system at www.evoting.nsdl.com. The members may inspect these records by using their secure login credentials. All other documents referred to in this Notice will also be available for inspection in an electronic mode without any fee by the members from the date of circulation of this Notice till the date of the AGM. Members seeking to inspect such documents can send an e-mail to investors@hcl.com.

12. Members are requested to note that as per Section 124 of the Act, the dividends remaining unclaimed/ unpaid for a period of seven years from the date of transfer to the Company's Unpaid Dividend Account shall be transferred to the Investor Education and Protection Fund ("IEPF"). In addition, as per Section 124(6) of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), as amended from time to time, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company to the IEPF Authority within such period as may be prescribed by the MCA.

    In the event of transfer of shares and the unclaimed dividend to IEPF, members are entitled to claim the same from the IEPF Authority by submitting an online application in the prescribed Form IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in Form IEPF-5.

13. The status of dividends remaining unpaid/ unclaimed along with the respective due dates of transfer to IEPF is provided in the Annual Report.

14. SEBI has mandated the submission of a Permanent Account Number ("PAN") by every participant in the securities market. Members holding shares in demat form are therefore, requested to submit PAN details to the Depository Participant(s) with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to M/s. Link Intime India Private Limited or to the Secretarial Department of the Company.

15. As per Regulation 40 of the Listing Regulations, as amended, all requests for transfer, transmission and transposition of securities shall be processed only in dematerialized form. In view of the above and the inherent benefits of holding shares in electronic form, we urge the members holding shares in physical form to opt for dematerialization.

16. The members of the Company, whose names appear in the Register of Members / List of Beneficial Owners as on **Wednesday, August 16, 2023 ("Cut-off date")** and who are otherwise not barred to cast their vote, are entitled to vote electronically either through remote e-voting or e-voting during AGM, on the Resolutions set forth in this Notice. A person who is not a member on the Cut-off date should treat this notice for information purpose only.

    Facility to exercise vote through remote e-voting will be available during the following period:

    Commencement of e-voting
    09:00 a.m. (IST) on Friday, August 18, 2023

    End of e-voting
    05:00 p.m. (IST) on Monday, August 21, 2023

    The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on the resolution is cast by the member, the member shall not be allowed to change it subsequently or cast the vote again. However, those members who will be present in the AGM through VC / OAVM facility and have not cast their vote on the resolutions during the remote e-voting period and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

17. The voting rights of the members shall be reckoned in proportion to the paid-up equity shares registered in the name of the member / beneficial owner as on the Cut-off date.

18. Any person holding shares in physical form, and non-individual members, who acquire shares of the Company and become member of the Company after the Notice is sent through e-mail and holding shares as on the Cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if the member is already registered with NSDL for remote e-voting, then he/ she can use his/her existing User ID and password to cast the vote. In case the password is forgotten, it can be reset by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll-free no. 1800-1020-990.

    In case of Individual shareholders holding securities in demat mode who acquire shares of the Company and become a member of the Company after sending of the Notice and holding shares as on the Cut-off date may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-voting system".

19. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names as per the Register of Members of the Company, will be entitled to attend and / or vote at the AGM.

20. Members holding shares in a single name are advised to make nominations in respect of their shareholding in the Company. The Nomination Form SH-13 prescribed by the Government can be obtained, in case of shares held in physical form, from the RTA or the Secretarial Department of the Company, and in case of shares held in demat form, from their respective Depository Participant(s).

21. INSTRUCTIONS TO MEMBERS FOR REMOTE E-VOTING AND JOINING THE AGM VIRTUALLY ARE AS UNDER:

The way to vote electronically on NSDL e-voting system and joining virtual AGM consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-voting system

A. Log-in method for remote e-voting and joining virtual AGM for the Individual Shareholders/ Members holding securities in Demat mode

In terms of the SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 on e-voting facility provided by listed companies, individual members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants.

Members are advised to update their mobile number and e-mail address in their demat accounts in order to access e-voting facility.

Login method for Individual members holding securities in demat mode is given below:

Type of member	Login Method
Individual member holding securities in demat mode with NSDL	**A. NSDL IDeAS facility** **If you are already registered, follow the below steps:** i. Visit the e-Services website of NSDL *viz*. https://eservices.nsdl.com either on a Personal Computer or on a mobile. ii. On the e-Services home page click on the "**Beneficial Owner**" icon under "**Login**" which is available under '**IDeAS**' section. iii. A new screen will open. You will have to enter your existing User ID and Password. After successful authentication, you will be able to see e-voting services under Value added services. iv. Click on "**Access to e-voting**" under e-voting services and you will be able to see e-voting page. v. Click on the Company's name or **e-voting service provider ("ESP")** ***i.e.*** **NSDL** and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting. **If you are not registered, follow the below steps:** i. Option to register is available at https://eservices.nsdl.com. ii. Select "**Register Online for IDeAS Portal**" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Please follow steps given in points (i - v) of Point A
	B. e-voting website of NSDL i. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. ii. Once the home page of e-voting system is launched, click on the icon "**Login**" which is available under "**Shareholder/Member**" section. iii. A new screen will open. You will have to enter your User ID (*i.e.* your sixteen digit Demat account number held with NSDL), Password / OTP and a verification code as shown on the screen. iv. After successful authentication, you will be redirected to NSDL Depository website wherein you can see e-voting page. Click on options available against company name or e-voting service provider NSDL and you will be redirected to **e-voting website of NSDL** for casting your vote during the remote e-voting period or joining virtual meeting and e-voting during the meeting.
Individual members holding securities in demat mode with CDSL	i. Existing users who have opted for **Easi / Easiest**, they can login through their user ID and Password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to **Easi / Easiest** are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System **Myeasi**. ii. After successful login of Easi / Easiest the user will be also able to see the e-voting menu. The Menu will have links of **e-voting service provider** ***i.e.*** **NSDL.** Click on **NSDL** to cast your vote. iii. If the user is not registered for Easi / Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration iv. Alternatively, the user can directly access e-voting page by providing Demat account number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered mobile and e-mail as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP *i.e.* **NSDL** where the e-voting is in progress.
Individual member (holding securities in demat mode) login through their Depository Participants	i. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL / CDSL for e-voting facility. ii. Upon logging in, you will be able to see e-voting option. Click on e-voting option, you will be redirected to NSDL / CDSL Depository website after successful authentication, wherein you can see e-voting feature. iii. Click on company name or e-voting service provider *i.e.* NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting and e-voting during the meeting.

Important Note: Members who are unable to retrieve User ID / Password are advised to use Forget User ID and Forget Password option available at above-mentioned websites.

Helpdesk for Individual members holding securities in demat mode for any technical issues related to login through Depositories *i.e.* NSDL and CDSL.

Login Type	Helpdesk details
Individual members holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll-free no.: 022-48867000, 24997000
Individual members holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 1800-225-533

B. Log-in method for remote e-voting and joining virtual AGM for the members other than Individual Members holding securities in Demat mode and Members holding securities in Physical mode

How to Log-in to NSDL e-voting website?

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-voting system is launched, click on the icon "Login" which is available under "Shareholder / Member" section.

3. A new screen will open. You will have to enter your User ID, your Password / OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares *i.e.* Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your User ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your User ID is 12**************
c) For Members holding shares in Physical Form	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then User ID is 101456001***

5. Password details for members other than Individual shareholders are given below:

   a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.

   b) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      i. If your e-mail address is registered in your demat account or with the company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL from your mailbox. Open the e-mail and open the attachment i.e. a *.pdf file*. Open the *.pdf* file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The *.pdf* file contains your 'User ID' and your 'initial password'.

      ii. If your e-mail address is not registered, please follow steps mentioned below in **process for those shareholders whose e-mail addresses are not registered.**

6. If you are unable to retrieve or have not received the 'Initial password' or have forgotten your password:

   a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on http://www.evoting.nsdl.com.

   b) "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on http://www.evoting.nsdl.com.

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number / folio number, your PAN, your name and your registered address etc.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-voting will open.

Step 2: Cast your vote electronically and Join virtual AGM on NSDL e-voting system

How to cast your vote electronically and join virtual meeting on NSDL e-voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of Company for which you wish to cast your vote during the remote e-voting period or at during the AGM. For joining virtual meeting, you need to click on "VC / OAVM" link placed under "Join General Meeting".

3. Now you are ready for e-voting as the Voting page opens.

4. Cast your vote by selecting appropriate options *i.e.* assent or dissent, verify / modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the print out of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for Members:

a) Institutional / Corporate members (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy of its board or governing body resolution / authorization, etc., for authorizing their representatives to attend the AGM through VC / OAVM on their behalf and to cast vote through e-voting (including remote e-voting). The said resolution/ authorization shall be sent to the Scrutinizer by e-mail at its registered e-mail address at officenns@gmail.com with a copy marked to evoting@nsdl.co.in.

b) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key-in the correct password. In such an event, you will need to go through the "**Forgot User Details/ Password?**" or "**Physical User Reset Password?**" option available on www.evoting.nsdl.com to reset the password.

c) In case of any queries, you may refer to the Frequently Asked Questions ("FAQs") for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll-free no.: 022-48867000, 24997000 or send a request at evoting@nsdl.co.in or contact Ms. Pallavi Mhatre, Manager or Ms. Soni Singh, Asst. Manager, National Securities Depository Limited, Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, at the designated e-mail address – evoting@nsdl.co.in, who will also address the grievances connected with the voting by electronic means.

22. The Company has appointed M/s. Nityanand Singh & Co., Company Secretaries as the Scrutinizer to scrutinize the remote e-voting process and e-voting during the AGM, in a fair and transparent manner.

23. The Scrutinizer shall after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutinizer shall after the conclusion of the AGM submit a consolidated Scrutinizer's Report of the total votes cast in favor of or against the resolutions, to the Chairperson of the Company (or to such other person authorized by the Chairperson in writing) on or before Thursday, August 24, 2023.

24. The results of remote e-voting and e-voting during the AGM, on the resolutions shall be aggregated and declared after the receipt of scrutinizer's report by the Chairperson or any director or any other person authorised by the Chairperson and the resolutions will be deemed to be passed on the date of the AGM, subject to receipt of the requisite number of votes in favour of the resolutions.

25. The results of the voting along with the Scrutinizer's report shall be placed on the Company's website at www.hcltech.com and on the website of the NSDL at www.evoting.nsdl.com immediately after their declaration. The results shall also be immediately communicated to BSE and NSE. The results of the voting will also be displayed on the notice board of the Company at its Registered Office and its Corporate Office.

I. INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

The procedure for e-voting on the day of the AGM is the same as the instructions mentioned at point no. 21 above for remote e-voting. Only those members who will be present in the AGM through VC / OAVM facility and have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

The details of the person who may be contacted for any grievances connected with the facility for e-voting on the day of the AGM shall be the same person mentioned for remote e-voting.

II. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER -

1. Member will be provided with a facility to attend the AGM through VC / OAVM through the NSDL e-voting system. Members may refer following the steps mentioned above for Access to NSDL e-voting system. After successful login, you can see "VC / OAVM link" placed under "**Join General meeting**" menu against the Company name. You are requested to click on VC / OAVM link placed under Join General Meeting menu. The link for VC / OAVM will be available in Shareholder/ Member login where the EVEN of the Company will be displayed. Please note that the members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice to avoid last minute rush.

   Further, members can also use the OTP based login for logging into the e-voting system of NSDL.

2. Members are encouraged to join the AGM through laptops / desktops with high-speed internet connectivity for better experience. Participants connecting from mobile devices or tablets or through laptops via mobile hotspot may experience audio / video loss due to fluctuation in their respective networks. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

3. Members will be required to turn-on their camera while speaking at the AGM.

4. Members who would like to express their views /ask questions as a speaker during the AGM may pre-register themselves by sending their questions in advance along with their name, demat account number/folio number, e-mail ID and mobile number, from their registered e-mail address, at investors@hcl.com before Monday, August 14, 2023 (5:00 p.m. IST).

5. **Members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the AGM**. The Company reserves the right to restrict the number of speakers depending on the availability of time during the AGM.

By order of the Board of Directors
For **HCL Technologies Limited**

Manish Anand
Company Secretary
Membership No.: FCS-5022

Date: July 26, 2023
Place: Noida (U.P.)

Annexure A

DETAILS OF DIRECTOR RECOMMENDED FOR RE-APPOINTMENT AS REQUIRED UNDER THE LISTING REGULATIONS AND SECRETARIAL STANDARD-2 ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA

Name of Director	Mr. Shikhar Malhotra
Date of Birth	05-Feb-1983
Age	40 Years
Date of first Appointment on the Board	22-Oct-2019
Qualifications	Degree in Entrepreneurship from Babson College, Massachusetts
Nature of expertise, experience in specific functional area	Expertise in Corporate Strategy, Enterprise Resource Management, Retail & Marketing, Information Systems, Business Transformation & Margin Management and Regulatory Management.
Past Remuneration	Being a Non-Executive Director, Mr. Shikhar Malhotra does not receive any fixed remuneration. He has received sitting fees for attending the Board / its Committee meetings, and the Commission as approved by the Board within the limits approved by the members of the Company. The details of the sitting fees and commission paid to him during the financial year ended March 31, 2023, have been provided in the Corporate Governance Report which forms part of the Annual Report (FY 2022-23).
Terms and conditions of appointment / re-appointment including Remuneration to be paid	Re-appointment as a Non-Executive Non-Independent Director, liable to retire by rotation. Mr. Shikhar Malhotra would not be paid any fixed remuneration. Mr. Shikhar Malhotra would be entitled to the sitting fee for attending the Board / Committee meetings. He would also be entitled to the commission, as may be approved by the Board, in terms of the provisions of the Companies Act, 2013.
Shareholding in HCL Technologies Limited as on March 31, 2023	None
Relationship with other Directors / KMPs	Mr. Shikhar Malhotra is the husband of Ms. Roshni Nadar Malhotra, Non-Executive Non- Independent Director of the Company.
Directorships / Committee Membership and Chairpersonship held in other Listed Companies	None
Resignation from Listed entities in the past three years	None
No. of Board Meetings attended during the Financial year ended March 31, 2023	5 Board Meetings were held during the Financial Year 2022 - 23 and all these meetings were attended by him.

By order of the Board of Directors
For **HCL Technologies Limited**

Manish Anand
Company Secretary
Membership No.: FCS-5022

Date: July 26, 2023
Place: Noida (U.P.)

HCLTech

Annual Report
2022-23

Supercharging Progress™

HCL

At HCL Technologies Limited, FY23 was the year of a major pivot in our growth journey as we further articulated our purpose and relaunched our brand identity. We now go to market as HCLTech, with a distinct brand position of Supercharging Progress™, which reflects our purpose and aspiration.

Each day, we live by our purpose: to bring together the best of technology and our people to supercharge progress—for our clients, people, communities and the planet. And our aspiration is to deliver this at speed and scale.

HCLTech's Annual Report 2022-23 looks back at a year of delivering on our purpose, driven by our unique portfolio spanning operational and transformational technologies across Digital, Engineering, Cloud, AI and Software. The depth and breadth of our experience positions us well for the future as a partner of choice–and a partner full of choices–for Global 2000 companies. We are an employer of choice for top talent globally. And we are transforming communities and contributing to a sustainable planet through path-breaking programs.

We believe we are just getting started, and the best of supercharging progress lies ahead in an exciting digital-first world.

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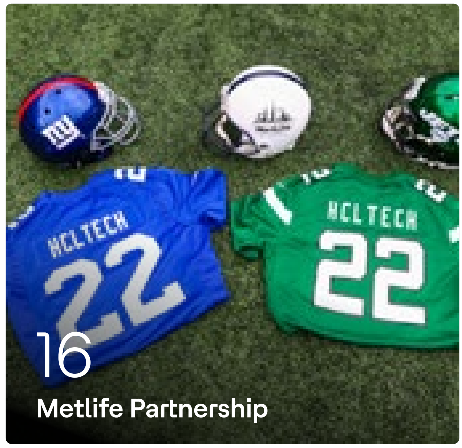

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HCLTECH
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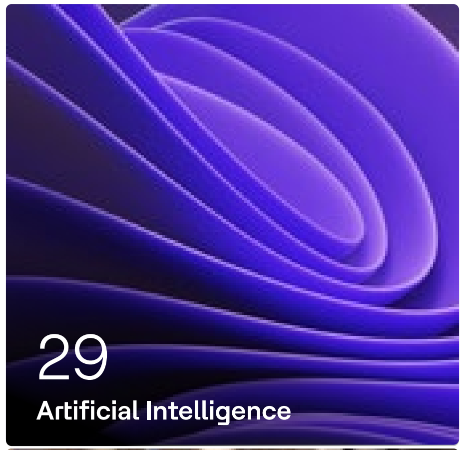
Metlife Partnership



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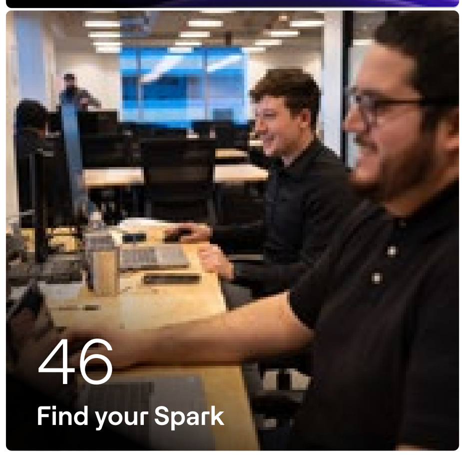
Artificial Intelligence



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Find your Spark

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Corporate Social Responsibility

Message from Chairperson

> The emergence of GenAI has made the landscape more exciting as it opens up new opportunities for enterprises to supercharge growth and productivity and for humanity to unlock the benefits of digital technologies."

Dear Shareholder,

FY23 has been another year of strong growth for our company as we crossed the $12.5 billion revenue mark, now going to market as 'HCLTech' with a refreshed purpose: to bring together the best of technology and our people to supercharge progress.

We delivered this performance in the backdrop of a challenging global economic environment. This underscores the strength and resilience of our diversified portfolio that makes us a preferred partner of global enterprises. Another notable milestone this year was HCLSoftware crossing the $1 billion ARR (Annual Recurring Revenue) mark, validating our investment in this business segment.

Technology continues to be a top priority for enterprises as they recalibrate their business models for enhanced efficiencies, serving customers in a digital-first world and weaving in sustainability agendas into their strategy. While the current economic headwinds may force some businesses to defer low-priority technology spends in the short-term, core technology spending is expected to grow further.

The emergence of generative AI (GenAI) has made the landscape more exciting as it opens up new opportunities for enterprises to supercharge growth and productivity and for humanity to unlock the benefits of digital technologies. HCLTech is well positioned to respond to the requirements of businesses in this evolving technology landscape and help them stay ahead of the curve. GenAI fused into our technology offerings will enable us to deliver superior solutions and customization for our clients.

We continue to invest aggressively to build new capabilities across our portfolio themes of Digital, Engineering, Cloud, AI and Software. A key part of this capacity building is boosting our in-house R&D and innovation engine, deepening partnerships across the ecosystem and most importantly, upskilling our people, who remain the biggest enabler of our ability to drive digital transformation of our clients.

Organization culture is extremely important for us to deliver on our strategy, especially as we have a growing tribe of Gen Z employees within the company. We have a sharp focus on providing an open, vibrant and inclusive workplace to our people while offering them platforms to unlock their potential. We are rated as Top Employer in 25 countries and are doubling down on our initiatives to make the company a magnet for top talent, globally.

A key focus area for the company has been our environment, social and governance (ESG) agenda and I am happy to share that we continue to make rapid strides in this area. In particular, I would like to highlight that HCLTech replenished 26 times more water than it consumed across its operations in India. Our ESG interventions and performance have seen us being recognized on global platforms and we will build on this foundation and benchmark with the best in the world.

Our company continues to uplift and transform local communities. Corporate social responsibility is not a checklist for us but a purpose and commitment. In India, HCL Foundation's programs have transformed millions of lives through interventions in areas such as education, skill development, livelihoods, healthcare and environment. And we are now taking this source code beyond India to supercharge progress for communities by partnering with leading global charitable organizations.

This year, our Founder and Chairman Emeritus, Shiv Nadar, was honored with the Lifetime Achievement Awards by The Economic Times and the U.S.-India Strategic Partnership Forum (USISPF). It's a fitting tribute to the HCLTech story and everyone who has been a part of it.

In closing, I'd like to thank all our stakeholders for your continued trust and support. Your confidence in us is the cornerstone of our success, encouraging us to aim higher and strive further. Together, we will continue to forge ahead and explore new frontiers to supercharge progress.

Regards,

Roshni Nadar Malhotra

Message from CEO & Managing Director

C Vijayakumar

Dear Shareholder,

HCLTech delivered a stellar performance in FY23, crossing many important milestones and building on a strong momentum in our chosen markets. We delivered this strong performance in the backdrop of continued macroeconomic transition.

At the beginning of FY23, we communicated a clear set of five strategic objectives:

- Leadership through **differentiated services and products**
- **Employer of choice** in professional services across all our key geographies
- Preferred **Digital partner for Global 2000** enterprises in chosen markets
- Weave **ESG (Environmental, Social and Governance) goals** into business strategy
- Deliver top quartile TSR (Total Shareholder Return) over the medium term

During the past 12 months, we have made meaningful progress on each of these objectives.

> Our revenues crossed the ₹100,000 crores milestone and our employee base reached the 225,000 mark."

Our overall revenues grew 13.7% YoY in constant currency, with the services business registering an impressive growth of 15.8% YoY underlined by a healthy margin performance. Our revenues crossed the ₹100,000 crores milestone and our employee base reached the 225,000 mark (including an intake of 25,000+ entry level employees), while our services portfolio encompassing Digital, Engineering, Cloud, AI and Software, coupled with our strategic alliances, all punched in equal weight.

As we registered this impressive financial performance, we also doubled down on our market leadership by emerging as the only service provider in the world to be rated as a Leader in all six Gartner Magic Quadrant reports related to IT services. This is a very important and comprehensive testament to the vision, strategy and maturity of all our offerings in our largest IT & Business Services segment and positions us as a clear frontrunner in the integrated IT services market. We continue to dominate the Engineering and R&D Services segment with broad-based offerings that are highly acclaimed in the industry. Our transformation efforts to build a growing software product portfolio saw good results during the year.

Our employees are helping us retain this lead by leveraging the learning and development programs we offer to keep them on the forefront of technology trends. This year, the company trained 70,000+ employees in digital skills and 150,000+ in other core skills. We invested 9.4 million person-hours in training during the fiscal year, which is an emphatic reiteration of the learning mindset and commitment of our people. We believe that an established and proactive regime of upskilling can help us stay competitive in the rapidly changing environment and unlock the agility that our people need to thrive.

Our workplaces are evolving too. We continue to believe in the virtual-first, hybrid workplace model, with flexibility for employees to use office spaces and leverage remote working as needed. Our approach has been balanced and measured, led by active dialogues with our people and clients to develop a 'right-mix for the right-time-and-right-place' model.

We continue to make progress on our ESG commitments, having pledged to be net zero by 2040. Almost one-fifth of our energy consumption today comes from renewable sources, and we have reduced our per capita Scope 1 and 2 greenhouse gas emissions by 70%. We are also very proud to be 26x water positive across our operations in India. Our diligent efforts around all these arenas resulted in HCLTech being recognized as an ESG leader in the software and services industry in MSCI ESG ratings. We were also included in Sustainalytics' 2023 Top-Rated ESG Companies list and were designated an 'Industry Mover' in the S&P Global Sustainability Yearbook 2023.

On the corporate social responsibility (CSR) agenda, HCL Foundation has made significant strides by impacting more than five million lives in India while harvesting 32 billion liters of water for reuse in communities. We also continue to support different social initiatives worldwide through our global CSR councils.

The year also saw another important milestone in the form of our wide-ranging brand transformation—establishing our new HCLTech brand identity, underpinned by the positioning of **Supercharging Progress™** and a new employee value proposition of **Find Your Spark**. Both have re-energized the company's cultural fabric and collective performance.

Our balanced business model has put us in a position of great advantage

In FY24, we continue to operate in an environment of high volatility. A combination of factors including geopolitical uncertainties, rising inflation and softening of consumer spending in a few sectors are creating some turbulence in the market.

As a result, the rally in technology spending triggered by the pandemic is now stabilizing, and clients are consolidating their technology spends to ensure speed and focus on the most cost-effective and revenue-impacting technologies. Enterprises are also consolidating vendors that have delivered with consistency, efficiency and measurable impact, and can offer a large suite of services.

Our unique portfolio mix spans a wide gamut of operational and transformational technologies across Digital, Engineering, Cloud, AI and Software, and this depth and breadth continues to position us as a partner of choice and partner full of choices for Global 2000 organizations. A client CXO put it most discernibly: "HCLTech is a partner for every season and every right reason."

This unique stature owes itself, in equal parts, to the cutting-edge work we continue to do in various emerging and mature tech spaces as well as to our expertise, which reinforces HCLTech's position as a trusted innovation advisor to our clients.

In AI, for example, we are one of the few companies in the world with experience and embracement of enterprise AI from its early days. With an elaborate AI ecosystem and extensive range of AI services, today we serve our clients across semiconductors, software, data, algorithms, cloud and more. We are also an early adopter of GenAI technologies as a consumer and a launch partner for all the major hyperscalers on their GenAI stack.

> "Our unique portfolio mix spans a wide gamut of operational and transformational technologies across Digital, Engineering, Cloud, AI and Software, and this depth and breadth continues to position us as a partner of choice and partner full of choices for Global 2000 organizations."

From a delivery perspective, we've continued to embrace our nearshore model, continuing to expand into the U.S., Mexico, Brazil, Eastern Europe and parts of Asia. Over the last three years, we've doubled nearshore headcount and expanded our New Vistas locations to smaller markets across India, which now account for 13% of our total workforce in India.

> "Together with our people and our partners, we believe we can shape a new era of technology transformation where speed meets scale, resilience meets responsibility and profits meet purpose."

Looking ahead

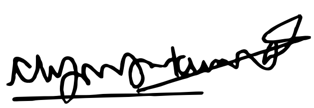
Looking ahead, we remain optimistic of the growth momentum of our company.

We are committed to delivering top quartile total shareholder return (TSR) by focusing on sustained organic growth, better profitability and increasing return on invested capital while maintaining superior cash conversion metrics. We are executing well on the pre-defined capital allocation of a minimum payout of 75% of net income cumulatively during FY22-FY26. Together with our people and our partners, we believe we can shape a new era of technology transformation where speed meets scale, resilience meets responsibility and profits meet purpose.

This aspiration is fueled by the passion of our people, the trust of our clients and the faith invested in us by our shareholders, to each of whom we remain deeply grateful.

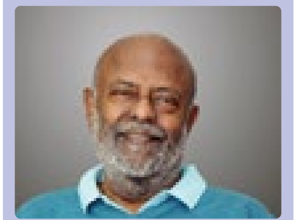
In closing, I'd like to thank all committed HCLTechies around the world who demonstrate an unwavering commitment to deliver value and embrace our culture of Ideapreneurship. Our newly articulated brand purpose is **to bring together the best of technology and our people to supercharge progress.** At HCLTech, we are committed to ensuring that technology complements and accelerates positive and inclusive progress for everyone–our clients, our people, our communities and the planet at large.

Sincerely,



C Vijayakumar

Founder



Shiv Nadar
Founder, HCL Group;
Chairman Emeritus and
Strategic Advisor to
the Board

Board of Directors

Roshni Nadar Malhotra
Chairperson,
Non-Executive,
Non-Independent

C Vijayakumar
CEO & Managing Director

Shikhar Malhotra
Director,
Non-Executive,
Non-Independent

Non-Executive, Independent Directors

Deepak Kapoor
Director

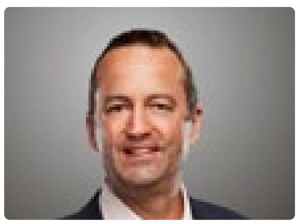
S Madhavan
Director

Dr. Mohan Chellappa
Director

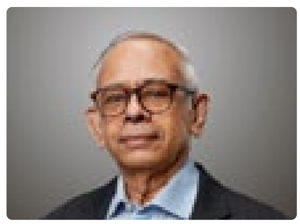
Nishi Vasudeva
Director

Robin Ann Abrams
Director

Dr. S Shankara Sastry
Director



Simon John England
Director



R Srinivasan
Director

Thomas Sieber
Director

Vanitha Narayanan
Director

Key to Board Committee membership

- Audit Committee
- Corporate Social Responsibility Committee
- Nomination and Remuneration Committee
- Finance Committee
- Stakeholders' Relationship Committee
- Risk Management Committee
- ESG and Diversity Equity Inclusion Committee
- C Respective Chair of each Committee

As of July 12, 2023

Leadership Team

C Vijayakumar
CEO & Managing Director

Ajay Bahl
Chief Growth Officer,
Americas, Mega Industries

Ajit Kumar
Chief Information Officer

Anil Ganjoo
Chief Growth Officer,
Americas, TMT and
RCPG Industries

Apparao V V
Chief Delivery Officer

Ashish Kumar Gupta
Chief Growth Officer,
Europe and Africa,
Diversified Industries

Jagadeshwar Gattu
President,
Digital Foundation Services

Jill Kouri
Chief Marketing Officer

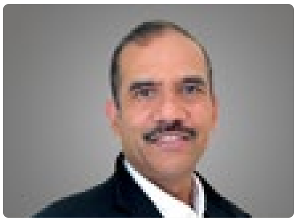
Kalyan Kumar
Chief Technology Officer
and Head, Ecosystems,
and Chief Product Officer,
HCLSoftware

Kevin McGee
Corporate Vice President,
Risk and Compliance

Dr. Nidhi Pundhir
Vice President and
Global Head, CSR

Prateek Aggarwal
Chief Financial Officer

Raghu Kidambi
Corporate Vice President
and Global Head,
Digital Process Operations

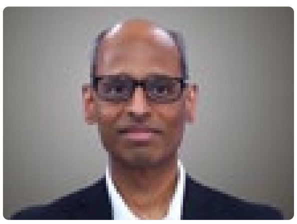


Raghu Raman Lakshmanan
General Counsel

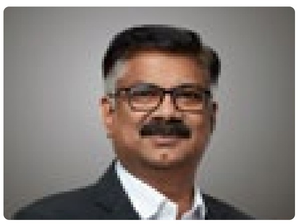
Rahul Mohta
Executive Vice President and Head, Enterprise Performance Office

Rahul Singh
Chief Operating Officer, Corporate Functions

Rajiv Shesh
Chief Revenue Officer, HCLSoftware



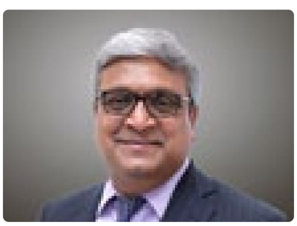
Ramachandran Sundararajan
Chief People Officer



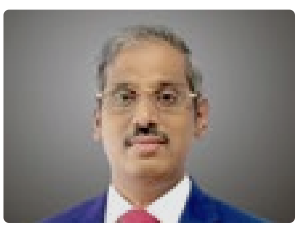
Santhosh Jayaram
Global Head, Sustainability

Shrikanth Shetty
Chief Growth Officer, Americas, Life Sciences and Healthcare Industries

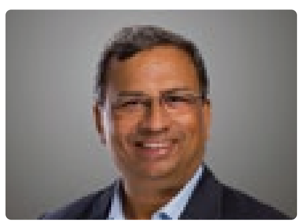
Srimathi Shivashankar
Corporate Vice President and Global Head, EdTech Business



Srinivasan Seshadri
Chief Growth Officer and Global Head, Financial Services



Sriram Hariharan
Executive Vice President, Strategy, Corporate Development and Business Enablement



Swapan Johri
President, Growth Markets

Vijay Guntur
President, Engineering and R&D Services

A Year of Supercharged Growth

$12.6B

Revenue

₹101,456 Cr

Revenue

18.5% increase YoY

₹19,488 Cr

Profit before tax

15% increase YoY

18.2%

Profit before taxes, finance costs and other income in FY23

₹18,009 Cr

Operating cash flow

4-year CAGR: 19%

57

New large deals signed

$8.9B

New deal TCV

6.6% increase YoY

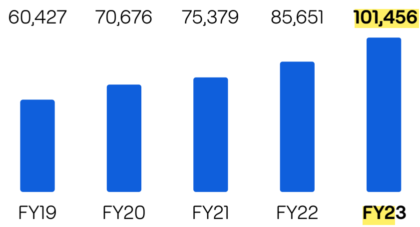
90%

Total increase in $100M+ clients over past four FYs

Revenue from Operations
(₹ Cr)

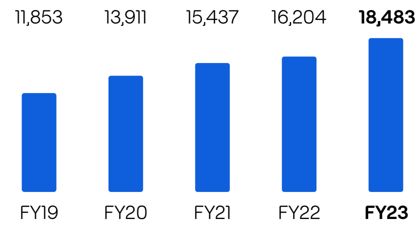
10.9%
CAGR*

Constant currency



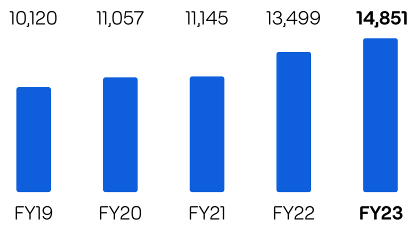
Profit before Taxes, Finance Costs and Other Income
(₹ Cr)

11.7%
CAGR*



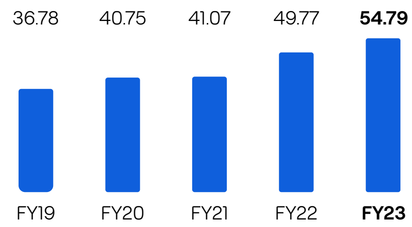
Profit after Tax
(₹ Cr)

10.1%
CAGR*

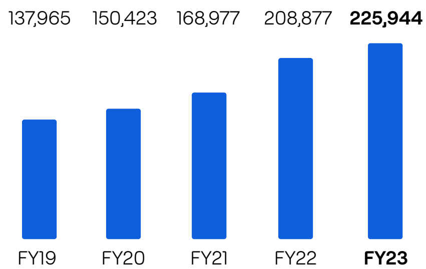


Diluted EPS
(₹ Cr)

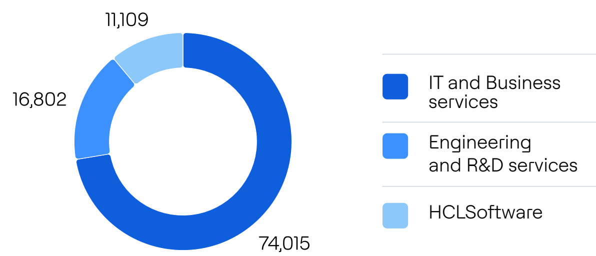
10.5%
CAGR*



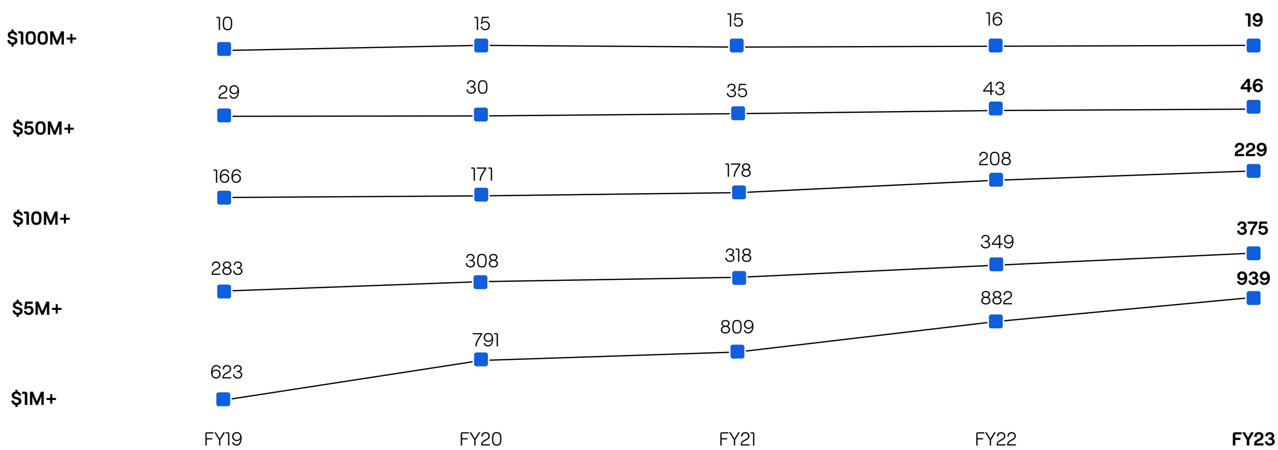
Employee Metrics
(Headcount)



Segment Revenue**
(₹ Cr)



Client Category
(Number of Clients)



*4-year CAGR **Includes inter-segment revenue of ₹470 crores.

Our Global Footprint

60
Countries

161
Nationalities

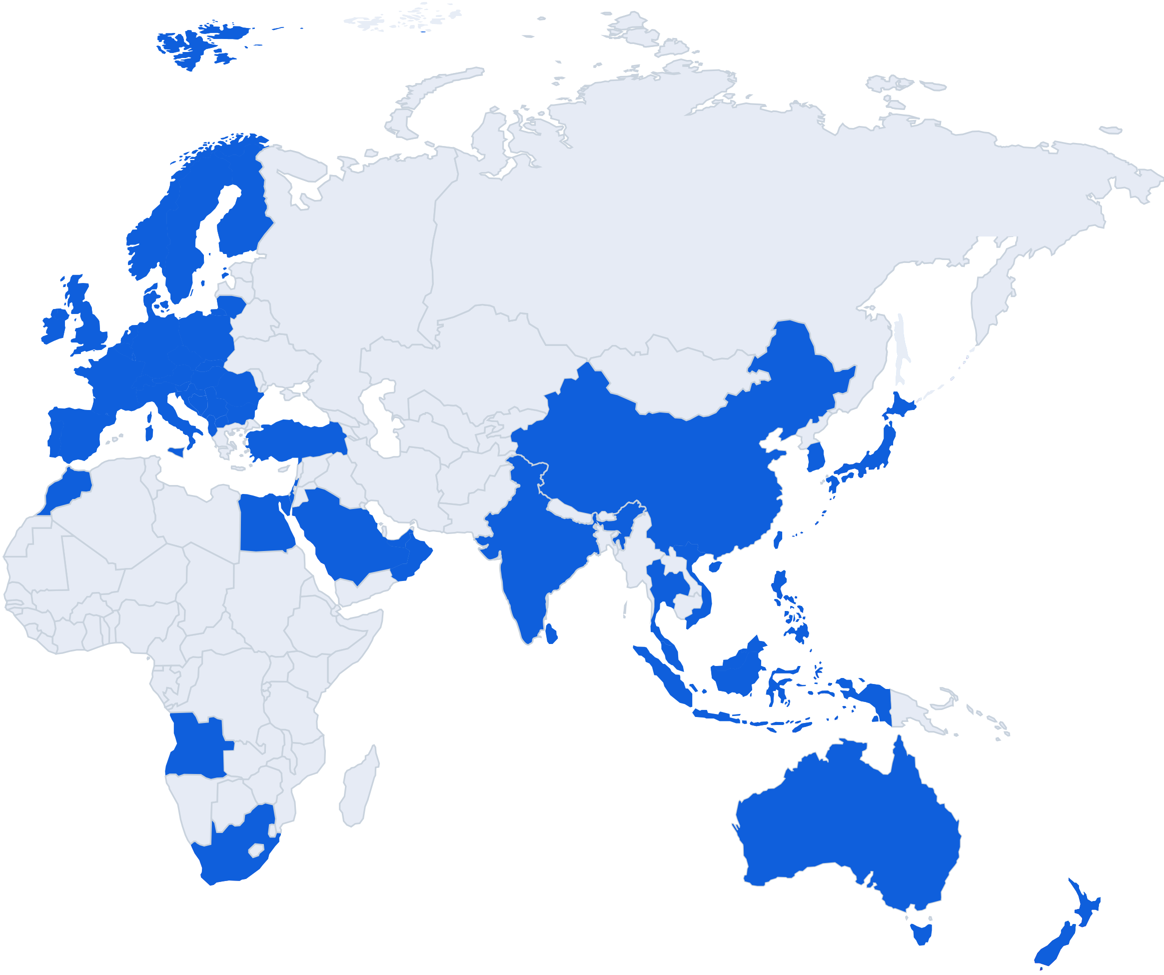
225,944
Employees

210+
Delivery Centers

150+
Engineering Labs

Countries

Angola	Bulgaria	Czech Republic	Germany	Ireland
Argentina	Canada	Denmark	Guatemala	Israel
Australia	Chile	Egypt	Hong Kong	Italy
Austria	China	Estonia	Hungary	Japan
Belgium	Colombia	Finland	India	Lithuania
Brazil	Costa Rica	France	Indonesia	Luxembourg



Malaysia
Mexico
Morocco
Netherlands
New Zealand
Norway

Oman
Panama
Peru
Philippines
Poland

Portugal
Romania
Saudi Arabia
Singapore
Slovakia
South Africa

South Korea
Spain
Sri Lanka
Sweden
Switzerland
Taiwan

Thailand
Turkey
UAE
United Kingdom
United States
Vietnam

Our New Brand Identity

This year, we launched the new HCLTech brand identity, underpinned by the distinct positioning of Supercharging Progress™ that captures the essence of what we do today and our aspiration of what we want to do more of–at scale, for our stakeholders. We also crafted a new purpose for our organization:

To bring together the best of technology and our people, to supercharge progress.

For our
Clients

We help deliver business outcomes for our clients, at speed and at scale; vested to solve day-to-day or complex challenges with both pragmatism and resilience.

For our
People

We help current (and prospective) employees "find their spark" and supercharge their career potential.

For our
Communities

We believe that impact comes from within, and it drives our long-standing commitment to the communities where we work and live.

For our
Planet

We deliver long-lasting impact through our actions as a company and through our pacts with stakeholders for a more sustainable future.

Brand transformation

This evolution marked a major milestone on the company's journey, as the new identity, purpose and positioning enable us to embrace a distinct global brand identity while retaining connectivity to our legacy. The process required an extensive strategic audit and review that engaged hundreds of staff, senior company leadership and trusted clients and partners. A talent-facing narrative in the form of an employee value proposition, 'Find Your Spark,' complements our external-facing brand position and emphasizes its commitment to helping current and prospective employees maximize their career potential and ambitions.

The impact of our new brand

Our new brand identity was unveiled to employees across the globe with great enthusiasm and celebrations. We hosted a live-stream broadcast from our New York City office, reaching all employees who participated in launch celebrations and watch parties across our global facilities, from London to Dubai and Noida to Sydney. The launch was accompanied by a comprehensive update of various brand touchpoints, including our website, intranet, social media, facilities, merchandise and internal communications. Additionally, integrated digital, employee advocacy and PR campaigns generated millions of impressions and reignited interest in the HCLTech brand.

A brand launch powered by our people

HCLTech and MetLife Stadium partnership: A shared vision

HCLTech is now a Cornerstone partner and the Official Digital Transformation Partner of MetLife Stadium, the largest U.S. East Coast stadium and the two American football teams it hosts-the New York Giants and the New York Jets.

The partnership will drive the adoption of best-in-class technology inside and outside the stadium through immersive, seamless, real-time digital engagement. HCLTech is one of the four top-tier partners with prominent brand visibility in and around the stadium, including a private, branded 74-seat suite to host guests at concerts, events and games year-round.

L to R: John Mara, President and CEO, New York Giants; Jill Kouri, Chief Marketing Officer, HCLTech; Ron VanDeVeen, President and CEO, MetLife Stadium; C Vijayakumar, CEO & Managing Director, HCLTech and Woody Johnson, Chairman, New York Jets at the unveiling of the partnership at the MetLife Stadium.

HCLSoftware races ahead with Ferrari

HCLSoftware

FERRARI
TEAM
PARTNER

HCLSoftware has forged a multi-year strategic partnership with legendary Formula One® team, Scuderia Ferrari. The partnership will see HCLSoftware become a strategic partner to the historic racing team, with a focus on supplying high-performance, precision technology.

The HCLSoftware logo now dons the Scuderia Ferrari car, giving the brand global visibility in a sport that's regarded as pinnacle of automotive technology. HCLSoftware enables Ferrari to accelerate its digital journey. HCLVolt MX and HCLAppScan solutions will be implemented by Ferrari to enhance employee experience and security.

HCLSoftware is proud to have its brand logo on the front of Ferrari's new SF-23 race car, and to continue being partners in this multi-year relationship.

Awards and Recognitions

The US-India Strategic Partnership Forum honored HCLTech Founder and Chairman Emeritus, Shiv Nadar, with the Lifetime Achievement Award.

HCLTech Chairperson, Roshni Nadar Malhotra, received The Economic Times Lifetime Achievement Award on behalf of HCLTech Founder and Chairman Emeritus, Shiv Nadar, from Nirmala Sitharaman, Minister of Finance, Government of India.

HCLTech Chairperson, Roshni Nadar Malhotra, received the Business Today Most Powerful Women in Business Award from Smriti Irani, Minister of Women and Child Development, Government of India.

Executive Recognitions

- HCLTech Founder and Chairman Emeritus Shiv Nadar was honored with the Lifetime Achievement Award at The Economic Times Awards for Corporate Excellence for his pioneering contributions as an entrepreneur and philanthropist.
- U.S.-India Strategic Partnership Forum honored HCLTech Founder and Chairman Emeritus, Shiv Nadar, with the Lifetime Achievement Award for his contribution to business and philanthropy.
- HCLTech Chairperson Roshni Nadar Malhotra won the Business Today Most Powerful Women in Business Award 2023.
- Fortune India recognized HCLTech Chairperson Roshni Nadar Malhotra with the Most Powerful Women Award 2022.
- HCLTech CFO Prateek Aggarwal won the CII Leading CFO of the Year 2022 Award in the IT & ITES category.

Corporate Recognitions

National CSR Award 2020, instituted by the Ministry of Corporate Affairs, Government of India

Rated as an ESG 'Leader' in the software and services industry by MSCI

Included in S&P Global Sustainability Yearbook 2023 as an 'Industry Mover' for demonstrating sustainable business practices

Included in Sustainalytics' 2023 list of ESG Top-Rated Companies in the software and services industry segment and in the Asia Pacific Region

Healthy Workplaces Award 2022 from Arogya World

Best Supply Chain Solutions Award under the 'Highly Commended' category, at the Adam Smith Awards Asia 2022

Diversity and Inclusion Recognitions

- Included in the 100 Best Companies for Women in India list and was recognized as Exemplar of Inclusion in the Most Inclusive Companies Index by Avtar & Seramount
- HCLTech was included in:
  - Seramount's Global Inclusion Index
  - Bloomberg Gender Equality Index
  - Pride Circle India Workplace Equality Index
- Recognized as the Diverse Company for 2022 at the Global DEI Summit 5.0, organized by The Times of India and Ask Insights

Employer Recognitions

- Won bronze at The Economic Times Human Capital Awards for Power of One employee volunteering initiative
- Received Regional Top Employer certification in 25 countries under the Top Employer 2023 Program. The company ranked No. 1 in 18 of these. HCLTech was also recognized as a Top Employer in three key geographies: North America, Europe and Asia Pacific
- Certified as a Great Place to Work in the U.S.
- Won in Mega Companies category in AmbitionBox Best Places to Work in India Awards 2022
- Won multiple awards from Brandon Hall in the following categories:
  - Two gold, two silver and one bronze in the Diversity, Equity & Inclusion category
  - Two gold in the Human Resources category
  - Three gold and one bronze in the Learning and Development category
  - Two gold, one silver and one bronze in the Talent Management category

Business Recognitions

- Google Cloud Global Breakthrough Partner of the Year 2021 Award
- Dell Technologies Global Excellence in Expansion Award
- VMware 2022 Partner Value Award
- Winner in the Outstanding Cloud Offering category at the Digital Bankers Middle East & Africa Retail Banking Innovation Awards 2021
- DRYiCE™ won the 'LogicMonitor GSI Excellence Award' at LM Elevate 2022 conference
- 'Outstanding Value' award at the 2022 Honda NAIP Supplier Conference
- 'SIIA CODiE' (The Software & Information Industry Association) awards 2022 for 'Best Customer Service Solution' and 'Product Management Team of the Year'
- 'Emerging GSI of the year 2021': India, South Korea and Asia region by Proofpoint
- American Honda Supplier of the Year Award for Outstanding Value in PLM Managed Services
- Recognized as the System Integrator Certification Partner of the Year at the MongoDB Partner of the Year Awards
- Named a Titanium member, the highest level of recognition, at the Intel® Network Builders Winners' Circle Awards for the second consecutive year

Analyst Recognitions

- HCLTech was positioned as a Leader in 2022 Gartner® Magic Quadrant™ for Custom Software Development Services, Worldwide*
- HCLTech was positioned as a Leader in 2022 Gartner® Magic Quadrant™ for Public Cloud IT Transformation Services*
- HCLTech was positioned as a Leader in 2023 Gartner® Magic Quadrant™ for Outsourced Digital Workplace Services*
- HCLTech was positioned as a Leader in 2022 Gartner® Magic Quadrant™ for Data Center Outsourcing and Hybrid Infrastructure Managed Services, Worldwide*
- HCLTech was positioned as a Leader in 2022 Gartner® Magic Quadrant™ for Managed Mobility Services, Global*
- HCLTech was positioned as a Leader in 2022 Gartner® Magic Quadrant™ for Managed Network Services*
- Forrester Wave™: Multi-cloud Managed Services Providers, Q1 2023
- Forrester Wave™: Cloud Migration and Managed Service Partners in Asia Pacific, Quarter 4 2022Avasant's Digital Masters 2022 RadarView™
- IDC MarketScape: Worldwide Adobe Experience Cloud Professional Services 2022 Vendor Assessment (Doc #US47542221, June 2022)
- IDC MarketScape: Worldwide SAP Implementation Services 2022 Vendor Assessment (Doc #US48395822, June 2022)
- IDC MarketScape: Worldwide Managed Cloud Security Services in the Multicloud Era 2022 Vendor Assessment (Doc #US48761022/September 2022)
- IDC MarketScape: Asia/Pacific Managed Security Services 2022 Vendor Assessment (Doc #AP49101222, November 2022)
- HCLSoftware won the Customer's Choice award in Gartner Peer Insights 'Voice of the Customer': Application Security Testing
- HCLSoftware Experience rated as No. 1 in B2E Experience in Gartner Critical Capabilities for Digital Experience Platforms
- HCLSoftware rated as a Strong Performer in Forrester Wave: Enterprise Marketing Suites
- HCLSoftware won the Customer's Choice award in Gartner Peer Insights 'Voice of the Customer': Multichannel Marketing Hubs
- HCLSoftware rated as a Strong Performer in Forrester Wave: Value Stream Management Solutions

Supercharging Progress for our Clients

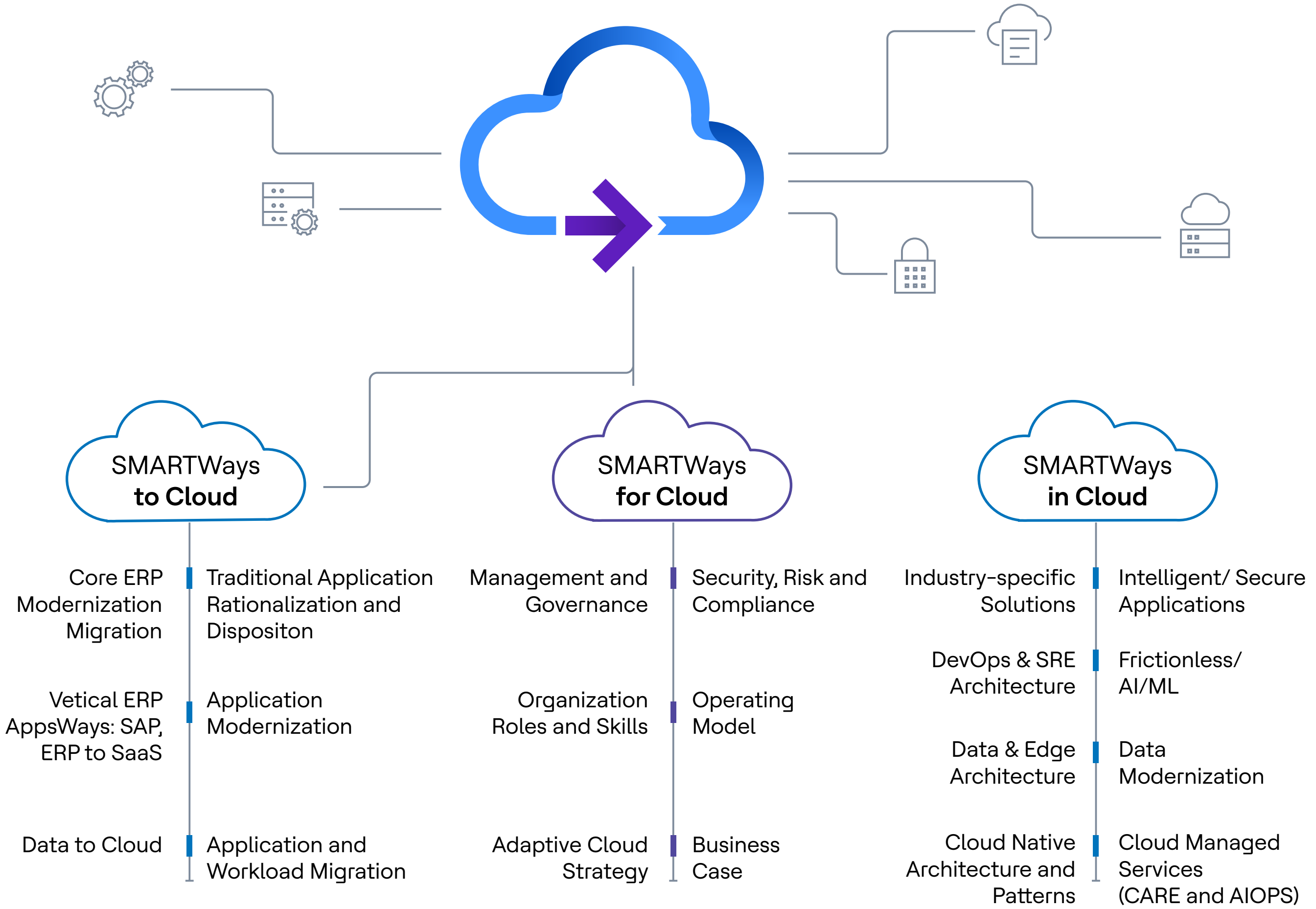
HCLTech's comprehensive portfolio mix across digital, engineering, cloud, AI and software are powering the digital transformation journeys of global enterprises at scale and speed.

CloudSMART

CloudSMART is HCLTech's cloud strategy that drives digital transformation and continuous modernization for businesses worldwide. It offers a suite of solutions that accelerate innovation and business transformation, simplifying operations in a hybrid, multicloud environment.

As a resilient and sustainable platform, CloudSMART embraces agility and automation, optimizing human resources and providing holistic management across diverse cloud constructs and technology choices. This consulting-led approach leverages our robust partner ecosystem, utilizing the CloudSMART Industry Cloud to address specific challenges faced by global clients. With CloudSMART, we empower organizations to harness the full potential of cloud technology as a business platform, delivering tangible benefits and driving growth.

CloudSMART positions us as the ideal partner for business transformation as we foster a cloud culture within organizations and collaborate with system integrators to leverage the full potential of cloud technologies. Our clients are transitioning from basic cloud usage to complex business cases that require organizational transformation. Businesses can achieve remarkable advancements by harnessing the power of cloud innovations such as AI/ML, IoT, 5G and quantum computing. To achieve this transformation, organizations need a strong cloud culture and strategic partnerships with skilled system integrators with the requisite skills, experience and relationships.



CloudSMART allows our clients to:

- Drive continuous modernization within their organizations by optimizing the cloud as a business platform to accelerate innovation and growth at scale
- Implement transformative business decisions that lead to the evolution of an organization's business model
- Modernize assets, create new capabilities for the business, attain speed to market and future-proof the business
- Drive workforce transformation by changing the way people work with new operating models, new processes and new technologies

CloudSMART harnesses the power of the cloud to help businesses:

- Achieve sustainable business advantages with a cloud-native approach
- Touch applications only once using agile methods for a sustainable transformation
- Continuously modernize and enable sustainable growth.
- Drive change management within organizations

Core Capabilities

1

CloudSMART accelerates clients' business transformation with solutions that enable continuous modernization, allowing organizations to embrace innovation.

Leveraging its deep technology engineering experience, HCLTech CloudSMART allows clients to adopt an evolving technology landscape, helping them harness transformational technologies such as AI, machine learning, 5G, IoT, quantum computing and others.

2

Cloud strategy is based on an approach to cloud adoption that considers each client's unique business objectives and pace of transformation.

It helps clients leverage cloud as an outcome-based business platform that provides a foundation for future growth. This approach is rooted in an understanding that each business moves at its own pace. We help clients harness the cloud to foster innovation.

3

CloudSMART leverages an extensive partner ecosystem to achieve breakthrough innovative solutions to fuel client growth.

It is technology and vendor holistic. We combine operational excellence and deep engineering and industry experience with the powerful capabilities of HCLTech's ecosystem partners.

4

CloudSMART embraces product-centric culture and a cloud operating model as a strategic differentiator within organizations.

It supports the re-skilling and up-skilling of workforces, enabling businesses to build an adaptive and resilient workplace through digital workplace management services.

Ecosystems

Consumer demands, technological advancements and data-driven approaches are revolutionizing business landscapes. HCLTech collaborates with top technology firms to assist organizations in navigating this evolving environment and overcoming intricate operational and business obstacles. Through these partnerships, we deliver exceptional value and drive digital transformation, leveraging our expertise and the innovation of our partners. Together, we create a lasting impact and propel enterprises toward a future of success, combining cutting-edge solutions and extensive industry knowledge.

Strategic Alliances

We act as an ecosystem orchestrator, collaborating with top technology partners and innovators to provide tailored components and define engagement models. Our ecosystem strategy ensures that all stakeholders—clients, partners and HCLTech—can quickly adapt and succeed in evolving business environments. We recognize the significance of staying current with technology trends and industry-specific solutions at HCLTech. By closely collaborating with our ecosystem partners, we develop innovative solutions that enable our clients to maintain a competitive edge.

We place a strong emphasis on cloud and AI/ML technologies and collaborate with top-tier technology companies to develop innovative IPs and solutions. Through our strategic business units, we drive partnerships that accelerate our clients' digital transformation journeys.

Startup Ecosystem

Redefining partnership paradigms, we have cultivated a unique and innovative ecosystem consisting of startups, venture capitalists and trade missions from across the globe – to create solutions which can be leveraged by our clients. A key differentiator is our own startup accelerator and innovation platform, the eSTiP (Startup Ecosystem Innovation Platform & Program). It enables co-creation through an open innovation model. Undertaken by HCLTech Enterprise Technology Office, this platform industrializes innovation and fosters deep collaboration among various stakeholders through a systematic and scaled approach for idea funnel management, prototyping, deployment and commercialization.

Industry Ecosystem

In line with our belief in the benefits of a collaborative world, we are affiliated with and contribute to numerous large industry forums and foundations. These initiatives are orchestrated via HCLTech Enterprise Technology Office and Cloud Native Labs. These include relationships with the World Economic Forum (WEF), The OpenGroup, Cloud Native Computing Foundation (CNCF) and CloudFoundry Foundation (CFF), among others.

Our Ecosystem

Cloud Ecosystem

aws, Dell Technologies, intel, Microsoft, Cisco, SAP, vmware, IBM, Red Hat, Google Cloud

Digital Platforms

Adobe, Appian, UiPath, Oracle, Pega, avaloq, Sitecore, workato, TIBCO, salesforce

Data and Analytics

alteryx, Collibra, databricks, denodo, Informatica, nCino, StiboSystems, snowflake, unqork, tableau, talend

Ecosystem Operating Model

IT & Business Services
Global Systems Integrator
Managed Services Provider

Engineering and R&D Services
Engineering Services Provider
OEM Integrator

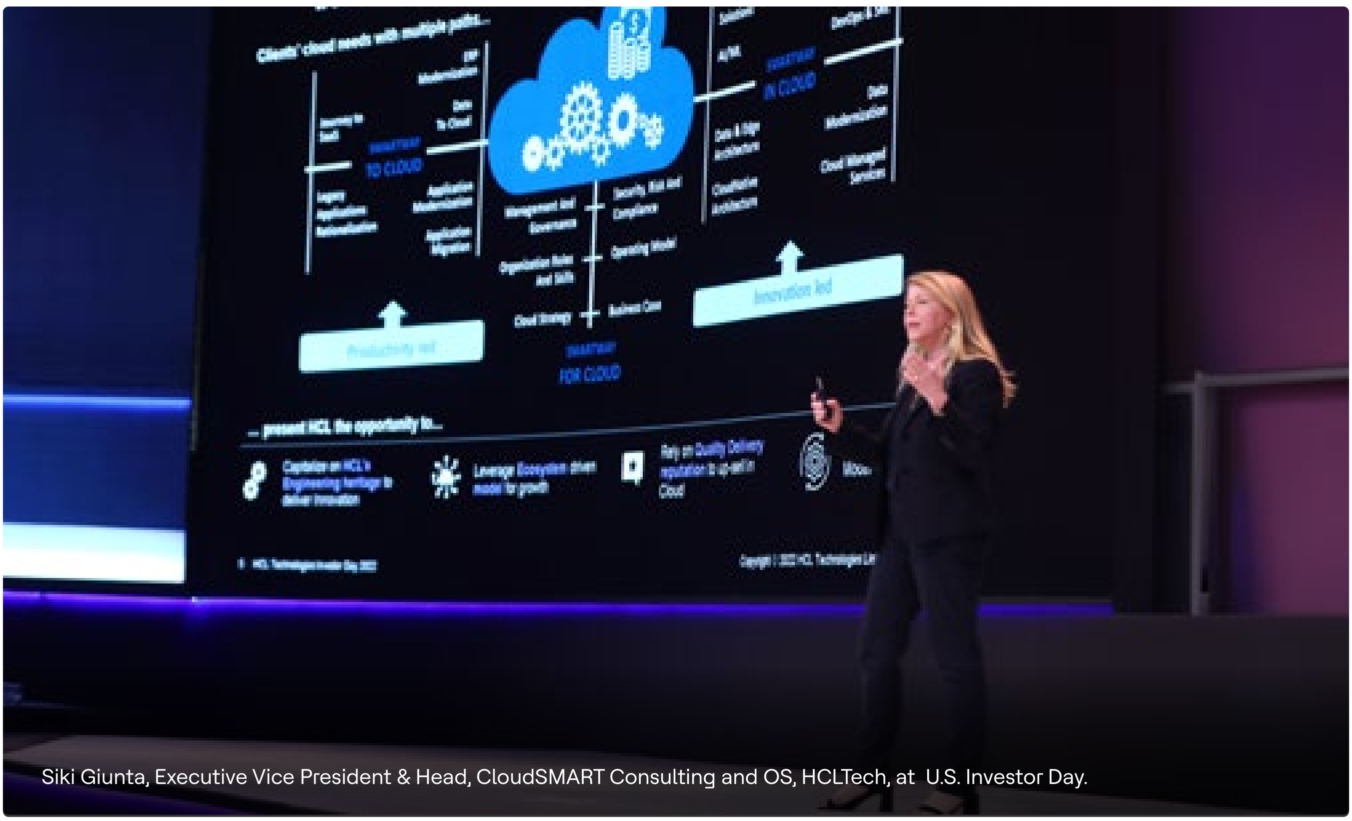
Products and Platforms
Independent SW Vendor (ISV) GTM
Marketplace Channels

Ecosystem Units
Full-stack aligned by each ecosystem

360 Degree (Sell-To)
Services OEM/Products

Cloud Native Labs/ FinOps/Cloud Consulting
Enabling cross-ecosystem collaboration

Joint Go-To-Market
Geographies and industries



Siki Giunta, Executive Vice President & Head, CloudSMART Consulting and OS, HCLTech, at U.S. Investor Day.

Analyst Perspectives

The Forrester Wave™: Multicloud Managed Services Providers, Q1 2023

HCLTech has achieved MSP competency across the programs of the top three hyperscalers and has a strong vision for the importance of network architecture and security in multicloud strategies. Reference customers speak highly of HCLTech's ability to be flexible while retaining an opinionated stance but would still like to see more of it."

Bill Martorelli

Principal Analyst, Forrester

The Forrester Wave™: Cloud Migration And Managed Service Partners In Asia Pacific, Q4 2022

HCLTech leverages its heritage skills to provide hybrid cloud operations. Known for its strong IT outsourcing services, HCLTech is a significant player in cloud migration and modernization services. The company dedicates cloud ecosystem business units to leading hyperscalers and has an established partnership with Google."

Sam Higgins, Principal Analyst,
Guannan Lu, Analyst

Forrester

Everest Group's System Integration (SI) Capabilities on Amazon Web Services (AWS) PEAK Matrix® Assessment 2022

Through its AWS Ecosystem Business Unit (EBU), HCLTech has built an integrated storyline of cloud offerings to effectively address enterprise needs on AWS. It is delivering contextualized offerings and expertise to certain targeted industries including healthcare, aerospace, retail, manufacturing and BFSI by investing in nurturing talent and building AWS-specific industry cloud capabilities. Enterprise clients have appreciated the domain knowledge and project management skills exhibited by HCLTech."

Mukesh Ranjan

Vice President, Everest Group

Everest Group's System Integration (SI) Capabilities on Microsoft Azure PEAK Matrix® Assessment 2022

Through its Microsoft Ecosystem Unit (MEU), HCLTech has a well-established, comprehensive, and extensive co-sell, co-build and co-deliver partnership with Microsoft. It includes multiple co-innovations in themes such as vertical-oriented solutions, sovereignty and sustainability, launch partnerships for various Microsoft industry clouds, and niche specializations. Enterprises have appreciated technical and domain expertise that HCLTech brings to the Azure engagements."

Mukesh Ranjan

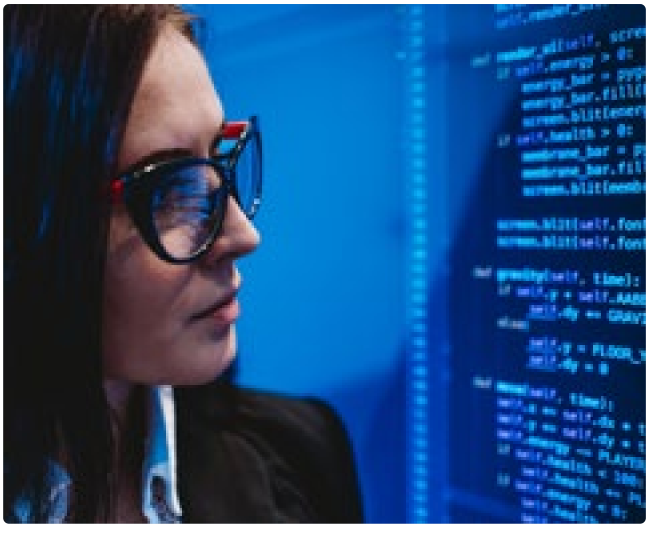
Vice President, Everest Group

Everest Group's System Integration (SI) Capabilities on Google Cloud Platform (GCP) PEAK Matrix® Assessment 2022

HCLTech presents an integrated approach to enterprises to accelerate their journey on Google Cloud through its CloudSMART offering. Its Google Cloud Ecosystem Unit (GEU) has jointly developed solutions around next-generation technologies such as AI/ML and IoT by leveraging in-house innovation labs. Enterprise clients have appreciated its commercial and operational flexibility and focus on building strong relationships."

Mukesh Ranjan

Vice President, Everest Group



Partner Perspectives

The synergy of HCLTech's CloudSMART program with the RISE with SAP offering will help customers maximize business value while leveraging innovations in cloud on their journey to an intelligent enterprise. We look forward to the continued strategic partnership with HCLTech."

Harald Martin

Senior Vice President, Services Partner Business Development, Cloud Success Services, SAP SE

Our relationship with HCLTech spans over 30 years, and with thousands of Microsoft- certified professionals, we've seen the capabilities and collaboration accelerate as HCLTech invests in the Microsoft Business Unit and delivers breakthrough, industry-focused innovation on Microsoft Cloud. We are especially excited about HCLTech's focus on the healthcare vertical and investments in 5G and Cloud Native Labs, allowing our mutual enterprise customers to realize tangible benefits as they continue their digital transformation journey."

Marianne Roling

General Manager, Global Systems Integrators, Microsoft Corporation

With their CloudSMART approach, VMware sees that HCLTech has the right vision for today's enterprises seeking to increase their capabilities with the power of multicloud solutions. We're delighted to partner with HCLTech for its CloudSMART framework powered by VMware and hyperscalers. Whether we're providing the technology that helps HCLTech deliver innovative consumer experiences or enabling resilient and agile workforces, we look forward to helping HCLTech ensure our customers' utmost success."

Sumit Dhawan

President, VMware

Our technology and solutions combined with the depth and breadth of HCLTech's services provide unique value to our customers. Add to that our combined industry expertise, we're well-positioned to ensure our customers have the IT strategy and solutions to address their needs today and in the future."

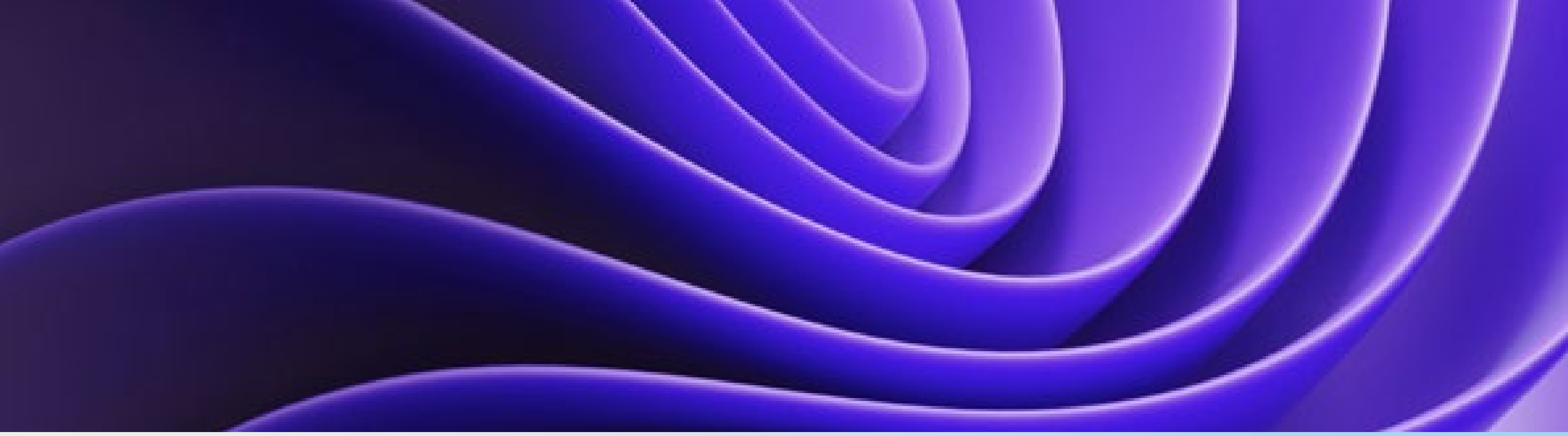
Denise Millard

Senior Vice President, Global Alliances, Dell Technologies

HCLTech provides an end-to-end roadmap for adopting AWS, starting from cloud consulting, in order to best serve our mutual customers."

Chris Niederman

General Manager, Global Account Sales and Strategic Alliances, AWS



Artificial Intelligence

Our approach to AI and GenAI is driven by an engineering and innovation spirit. Our efforts are focused on harnessing its power to bring exponential innovation to our products, solutions and services. Our philosophy encompasses consulting, creating, embedding and integrating AI within silicon to infrastructure, applications, data and business processes.

With our engineering heritage, we've been involved in co-creating the AI technology stack for the last two decades. We've deployed at scale AI ops in our operations and engineering business for over a decade and have created those IPs to fuel the Intelligent Automation, which is the DRYiCE product line in HCLSoftware.

Our Solutions

AI Ecosystem

We continue to create partnerships and alliances on AI and GenAI to strengthen our offerings. We are infusing GenAI capabilities into our products and services using our enterprise-grade orchestration and prompt engineering platform. These products are creating GenAI capabilities with ecosystem partners including hyperscalers and industry leaders.

Applications, Data and Analytics

We build, test and scale intelligent enterprise-wide systems while helping to mitigate privacy and ethics-related challenges with governance that is lean, differential and AI-enabled. We apply the latest AI and ML technologies to improve your products, services and operations while enabling experimentation to discover new sources of value and deliver advanced insights to your decision-makers.

Systems and Product Engineering

We are developing and delivering AI-enabled systems and product engineering offerings spanning Computer Vision and NLP, GenAI, MLOps and trustworthy AI. We are driving innovation and accelerating project delivery for our customers with dedicated GenAI Labs equipped with DGX supercomputers and Nvidia JetsonTx2/Javier.

Infrastructure and Operations

We are delivering core infrastructure, intelligent operations and digital services to help businesses adopt AI and GenAI technologies including AI-enabled search, retrieval of critical data, knowledge summary, content translation and low-code platforms that enable enterprises to build GenAI applications without coding experience.

HCLSoftware Products

HCLSoftware, an independent software products division of HCLTech, is at the forefront of infusing and embedding AI and GenAI capabilities into its software products to deliver superior value to its customers across business cloud, hybrid data cloud, AppDev/compose cloud and intelligent automation cloud. HCLSoftware is also creating XaaS Solutions powered by GenAI to provide alternate outcome-based consumption models for customers and ecosystem business partners.

IT and Business Services (ITBS)

Through ITBS, we help global enterprises drive business transformation by providing a wide range of solutions in applications, infrastructure, digital process operations and next-generation digital transformations.

75+ of Fortune 200

- Leadership in cloud transformation
- Pioneering in integrating and transforming application and infrastructure services
- 'Differentiated Challenger' in apps and data modernization
- Participation in chosen areas of digital process operations

$500B+
Addressable market

₹74,015 Cr
FY23 revenue

15.6%
FY23 growth in constant currency (YoY)

Building the Resilient Digital Enterprise

Digital Business Services

Digital Business Services enables enterprises to adopt new technology architectures, reimagine ways of working and use data and analytics to achieve operational excellence and fundamental business transformation.

What differentiates us

- Experience in complex journeys of business and IT operating model transformation by scaling agile delivery and organizational change management
- Unique strength in integrating and transforming application and cloud services
- Value chain transformations through application and data modernization, cloud adoption, analytical insights and AI, with a focus on customer and business experiences
- Strong 360° relationships with our ecosystem partners such as Salesforce, Snowflake, SAP, Microsoft, AWS, Google (GCP) and others
- Global scaling capability of digital talent

Our digital business, provides industry-specific technology solutions to transform clients' value chain through the use of technology. We carry out our services via three main focus areas:

Consulting Services

- Experience and technology strategy and design to develop innovative solutions that serve the unmet needs of clients, employees and users
- Business process re-design/optimization that allows customers to reimagine their enterprise value chains
- Agile delivery transformation through operating model change
- Organizational agility to orchestrate effective change management within the enterprise

Application Modernization Services to help customers architect and modernize their applications and platforms via composable architectures, micro-services services and cloud-based application consumption.

Data and Analytics Services to modernize and/or build new data platforms, build scalable data architecture with robust data governance and drive actionable insights through machine learning and artificial intelligence.

Our services focus on the following main industry segments: Financial Services, Life Sciences and Healthcare, Manufacturing, Retail, Telecom, Media and Entertainment, Technology and Public Services.

In FY23, we continued to see strong growth in the following areas:

Industry-specific Value Chain Transformation: Customers focused on supply chain transformation, omnichannel modernization and transforming customer experiences across business-to-business (B2B), business-to-consumer (B2C) and business-to-business-to-consumer (B2B2C) interfaces.

Operating Model Change: The trend of customers moving from project-based to agile-product-oriented organizations continued in FY23 with customers also moving toward cost efficiencies through vendor consolidation.

Technology Modernization: Customers continued to leverage our services in adopting SaaS solutions and adopting cloud ecosystems. Notably, our enterprise package/SaaS and cloud eco-system business grew strongly in the Salesforce, SAP, Oracle, Workday and the Azure, AWS, GCP and IBM ecosystems.

From an industry perspective, the telecom, manufacturing and hi-tech sectors delivered particularly strong growth while North America and Europe regions continued to lead the growth from a global perspective.

This year, our ESG proposition saw wide acceptance with large enterprises, from integrating ESG practices into supply chains to focusing on green IT and reducing carbon footprint. We implemented an industry-leading ESG platform for a large F100 aerospace company to help with global compliance. Similarly, for a leading European customer, we worked on a smart energy solution to help with carbon footprint reduction.

Our development of nearshore execution capability expanded in FY23, especially in Eastern Europe and Latin America, and will continue to grow robustly in 2024 through additional local and nearshore delivery hubs.

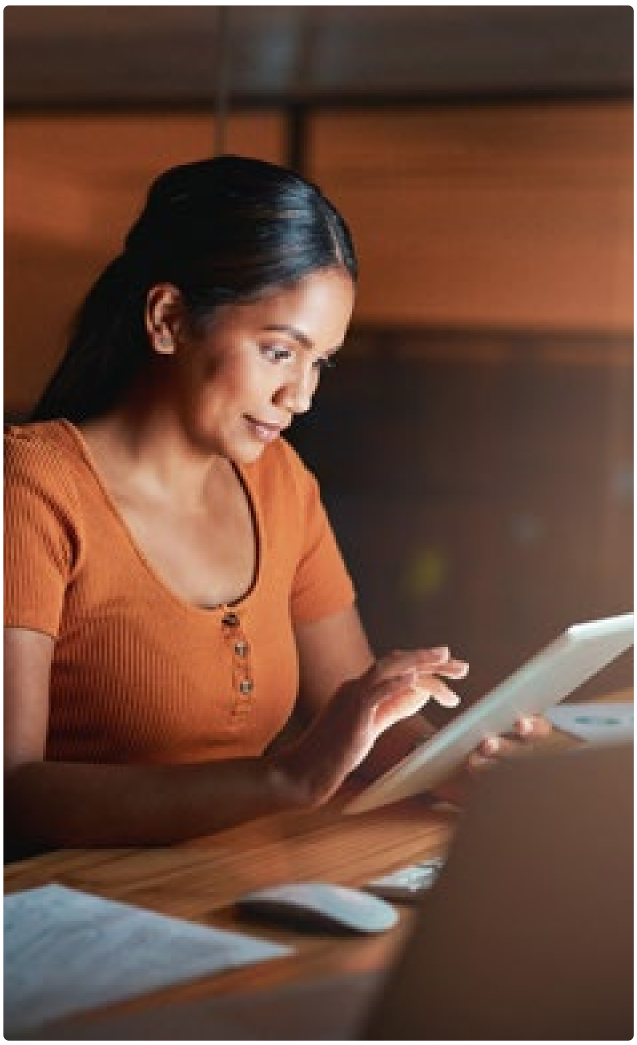
We continue to have a robust partner ecosystem and added 10 new partners this year. We are now one of the largest Snowflake partners. We continue to hold top-tier partnership status with Adobe, Snowflake, Tibco and Alteryx as well as the highest level of partnership tier with Salesforce this year.

In FY23, Digital Business delivered a robust 18% growth. Our bookings were stronger than the prior year. With the global macro-conditions, we did see a gradual slowdown and delay in discretionary spend toward the second half of the year. However, with our strong booking trend and the wider customer shift to vendor consolidation deals driven by cost optimization, we remain buoyant about growth for FY24.

Client Perspectives

HCLTech is a partner of choice for NatWest for leading digital transformation initiatives. We partnered with HCLTech to drive forward NatWest's strategy of becoming a relationship bank for the digital world, and to support us in the delivery of our retail banking digital customer journeys. HCLTech has been instrumental in bringing in strong technical competence to accelerate the progress of our strategic digital propositions and has delivered immense value to our customers and wider stakeholders through successful deliveries within the EveryDay Banking domain."

Shalini Arora
Director, Everyday Banking, NatWest Group



HCLTech enabled Pentagon Federal Credit Union's digital transformation journey by creating an end-to-end digital platform and driving business growth."

Shashi Vohra
Senior EVP & President, Affiliated Businesses, Pentagon Federal Credit Union

The engagement with HCLTech has helped us to launch a transformation from a project model to a product model using agile methodology. Through this initiative, we are delivering greater value to our business stakeholders through a closer alignment and more rapid delivery of technology solutions to business challenges."

Bill Pomerleau
Director, IT Vendor Management, Land O'Lakes Inc.

It's been a pleasant experience being at the HCLTech Noida innovation lab. The energy, ideas, people and the conversation have been eye-opening. Very happy to know how much HCLTech is investing in innovation. Pearson VUE takes pride in innovation, and it's wonderful to know the potential of future together as partner."

Farzana Ashraf
Senior Vice President, Product & Technology, Pearson VUE

We continue to see HCLTech show up as a strong strategic partner as we push for digital transformation and growth across our utility. Love how they continue to build their bench in ways to supplement our work across critical customer areas, with velocity so that we can quickly deliver value for our customers."

Ryan Ogilvie
Division Chief Information Officer, Portland General Electric

Analyst Perspectives

"

IDC MarketScape: Worldwide Adobe Experience Cloud Professional Services Vendor Assessment

HCLTech has a number of key intellectual property assets to help its clients drive value from Adobe technology, including Advantage Suite with Advantage Experience that helps clients accelerate their Adobe Experience Cloud transformation journey; Industry Playbooks and Process enablement toolkits for multiple industries; FENIX 2.0, an industry-aligned execution framework that helps organizations rewire their core DNA to realize digital transformation objectives; Nexus Consulting, a framework for human-centered approach for end-to-end customer experience transformation that helps client from strategy through execution with focus on business outcomes."

Douglas Hayward
Research Director, IDC

"

ISG Provider Lens™ Oracle Ecosystem U.S. Region

HCLTech's consulting services offer business insights, with the company's industry experience. Its implementation services help adopt, accelerate and gauge Oracle Cloud journey. Its Service-oriented Oracle support ensures resiliency, reliability and predictability."

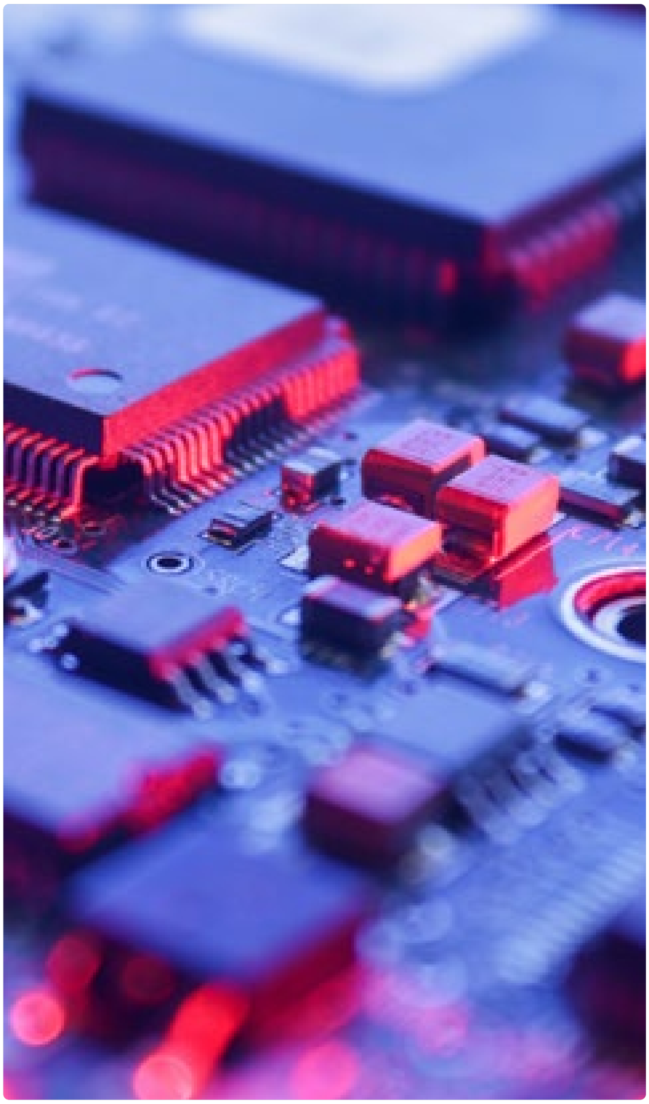
Arun Kumar Singh
Senior Manager & Principal Analyst, ISG

"

IDC MarketScape: Worldwide Manufacturing Intelligence Transformation Strategic Consulting 2023

HCLTech provides intelligence transformation strategic consulting services across the manufacturing value chains, including projects supporting product design/innovation, customer relationship management, supply chain planning and execution, enterprise quality management, plant/ operational performance, asset performance management and field service."

Reid Paquin
Research Director, IDC



Partner Perspective

"

As enterprises increasingly compete on customer experience, our Platinum partnership with HCLTech plays a key role in accelerating digital transformation for our clients. HCLTech's Ad\vantage Experience platform uses AI and ML to enable clients to realize the value of Adobe Experience quickly at scale, helping them gain a competitive edge."

Justin Merickel
Vice President, Business Development, Adobe

Digital Foundation

Digital Foundation forms the backbone of digital transformation journeys, offering core infrastructure services and next-generation digital solutions. We have 500+ active customers spanning various industries and serve as a trusted advisor and partner to 40% of G100 companies, helping them manage and transform their large and complex environments.

Differentiators

- Trusted advisor and partner for managing and transforming large and complex environments
- Market leadership in UX-based service delivery to end users
- Forefront of evolving talent needs
- AI, ML and hyper automation–led service delivery at scale

Key Wins

- A leading toy manufacturer selected us to drive transformation across global technology landscape cutting across applications, infrastructure and information security domains and move it to a product IT operating model.
- A healthcare services company selected us to build and run a hospital-aligned clinical service desk for physicians and support staff.
- A global leader in health, nutrition and bioscience selected us to transition to a product-based IT operating model, underpinned by a cloud-first strategy and next-generation security practices.
- A leading provider of auto, home and commercial insurance has selected us to reimagine their IT service desk and infrastructure operations.

Outlook in the Medium Term

Despite market forces, we see strong customer demand as IT services spending is projected to rise by 5.5% in 2023. Traditional segments seek automation and cost reduction, while growth segments such as cloud, employee experience and cybersecurity offer scaling opportunities. With accelerated growth in existing clients, we aim to capture 95% of all Digital Foundation spend and anticipate a $100 billion renewal opportunity. Our partnerships with hyperscalers fuel our 2X market CAGR growth across cloud services. We have invested in new frontier geographies and anticipate accelerated growth across these areas.

Digital Foundation Business Strategy

We are driving various short-term and medium-term strategic initiatives to propel business growth:

1

Value Generation for Clients

We are committed to bringing together the best of technology and our people to supercharge progress. We measure value delivered to clients annually through systematic programs. During FY23 we clocked $2 billion in value generated for clients.

2

Evolving Business Mix

We are committed to growth across services such as cloud, employee experience, nextGen networks and cybersecurity.

3

Taking Thoughtful Big Bets

We're making investments in state-of-the-art innovation labs and regional delivery centers and are also evaluating multiple inorganic options that provide us access to capability and geography play.

4

New Frontier Expansion

We have taken a strategic decision to invest in new frontier geographies and we're anticipating accelerated growth across them.

5

Strong Partnership with OEMs and Hyperscalers

Partnerships are fueling our growth by 2X of market CAGR in cloud services. We are also a managed services and professional services provider for leading OEMs.

6

Investing into our Future Talent Pool

We are investing in future talent pool and have identified various skill sets which can help us grow in the long term.

Analyst Recognitions

Leading analysts have consistently rated us as the leader across all Digital Foundation towers.

- We are the only services provider to be rated as leader in all Gartner Magic Quadrants for Digital Foundation.
- In the public cloud IT transformation, we are the only Indian heritage service provider to be recognized as a leader for two consecutive years.
- We have been rated as a leader in the Gartner® Magic Quadrant 2022 for Public Cloud IT Transformation Services, Outsourced Digital Workplace Services and Managed Mobility, Managed Network Services, DC Outsourcing and Hybrid Infrastructure Managed Services.

Analyst Perspectives

Everest Group PEAK Matrix® for IT Security Service Provider 2022 – North America

HCLTech's investments in augmenting its cybersecurity consulting services under its Fortius brand and expansion of Cybersecurity Fusion Centers (CSFC) to new geographies have resonated well with enterprise buyers. Clients have appreciated HCLTech's domain knowledge and its ability to contextualize services based on client requirements."

Kumar Avijit

Practice Director, Everest Group

Everest Group's Digital Workplace Services PEAK Matrix® Assessment 2022-North America & EU

HCLTech's focus on employee experience management, XLA-embedded pricing constructs, verticalized solution portfolio, and strategic partnerships with established as well as niche vendors to diversify its digital workplace portfolio have contributed to its position as a leader, have also appreciated HCLTech focus and investments in employee-centric solutions and its overall client management capabilities."

Udit Singh

Practice Director, Everest Group

ISG Provider Lens™ Public Cloud Solutions and Services 2022 – Global – Multicloud FinOps Platforms

HCLTech is one of the very few service providers that has a dedicated FinOps platform offering through which it has helped several enterprises to reduce their cloud bills significantly."

Shashank Rajmane

Principal Analyst, ISG

ISG Provider Lens™ ServiceNow Ecosystem Partners 2023 – US Region

HCLTech has strong capabilities and resources and co-innovates with ServiceNow to deliver industryspecific value propositions."

Dr. Tapati Bandopadhyay

Lead Analyst, ISG

Client Perspectives

Having productive and happy employees means we continue to delight our customers. Therefore, we must proactively maintain and manage our digital workplace environment. Working with HCLTech will enable us to leverage the true power of intelligent automation to drive growth and enhance employee experience."

Punit Jain
Chief Technology Officer, AMEA, Global Digital Workplace Lead, Mondelēz International

We were extremely selective about our preferred digital transformation partner and HCLTech, with its proven track record in delivering flexible and resilient IT systems, fits the bill. We have been impressed by the pace and scale of its delivery and are looking forward to cooperating with HCLTech."

Oliver Neubrand
Chief Financial Officer, Heubach Group

Digital Process Operations

Digital Process Operations (DPO) helps clients adapt to the digital age by combining HCLTech's process domain expertise, engineering capabilities and diverse software and technology stack.

DPO is uniquely positioned to capitalize on the changing business dynamics and new growth horizons. HCLTech's DPO is a next generation global business operations unit that thrives on helping enterprises reimagine their business for the digital age. Our integrated 'Technology-led Digital Operations' model reimagines client's operations across three broad digital stacks around digital workforce, digital process and digital technology. These stacks determine the velocity and magnitude of business success an organization achieves.

Digital Workforce

The digitalCOLLEAGUE is HCLTech's domain-intensive, role-based, single-UI platform, which works in collaboration with the human workforce. The digitalCOLLEAGUE (dC) platform, powered by emerging transformation technologies, collaborates with humans to create a truly Digital Workforce. This human-machine collaboration enhances business operations, improving top line growth, cost efficiency, customer satisfaction and return on asset investment.

Digital Process

DPO deploys its ReOPS framework to drive transformation and business processes. This framework enables the identification, simplification, standardization and automation of processes through a data-driven approach. With its proprietary 3-lever BPM approach and AI-powered tools, it helps enterprises create digital target operating models and leverage comprehensive process blueprints for effective process discovery and orchestration.

Digital Technology

DPO leverages the Enterprise Function as-a-Service (EFaaS) model to provide on-cloud solutions for organizations seeking cost reduction through business process optimization, application platform standardization/modernization and utility-based models. With EFaaS, we implement top technologies, deliver operational services and ensure integrated SLAs in a flexible cost model.

HCLTech DPO serves over 100 clients across industries, including many Fortune 500/Global 2000 organizations. With state-of-the-art delivery centers across India, Europe, Ireland, Latin America, the Philippines, the U.S. and the UK, the unit leverages its Integrated Global Delivery Model (IGDM) to provide clients with best-in-class services.

Last year, DPO signed multi-million-dollar transformation deals with some of the biggest brands across industries. In one such engagement, it set up a large digital shared services hub for a leading independent software vendor (ISV) major, providing them with global cloud sales and support services. Besides new clients, DPO successfully renewed and expanded its relationship with existing clients, providing them with transformation-led digital services across front, middle and back-office functions.

Building on this spectacular growth over the years, our strategy and vision for FY23 and beyond will focus on multiple critical areas:

- Develop differentiated verticalized value propositions through strategic investments in IPs, CoEs and leveraging partner ecosystems to offer superior client value–i360 order-to-cash offering for manufacturing and oil & gas verticals backed by large-scale implementation in one of the Fortune 10 oil & gas company and a digital and print manufacturing leader.
- digitalCOLLEAGUE offering – we continue to invest in new technologies like AI, data analytics, cloud and platform-based services. A significant part of this investment would also focus on training our employees on these new technologies.
- Continue creating custom target operating models and engagement constructs driving the right balance of control, cost, flexibility and risk. DPO has executed varied engagement constructs, including joint venture, carve-out, build-operate-transfer, assisted captive, hybrid, pure-play third-party outsourcing and co-sourcing models, in vested contracts for higher skin in the game to deliver financial and business outcomes.

Analyst Recognitions

All our efforts are getting recognized by the global analyst and advisor community as we gain significant industry mindshare vis-à-vis competition. We have been ranked as leaders across our chosen areas of play:

- Leader in ISG Provider Lens™ Finance & Accounting Outsourcing Services 2022
- Leader in ISG Provider Lens™ Quadrant study on Procurement BPO and Transformation Services, 2022
- Leader in Avasant Intelligent Document Processing Platforms 2022 RadarView™
- Leader in Everest Group's Artificial Intelligence (AI) Services PEAK Matrix® Assessment 2022

Analyst Perspectives

"

HCLTech's focus and continuous improvement in building an expanded FAO portfolio have positioned it as a leader in four of the most critical pillars of finance and accounting. Further, HCLTech has extensively leveraged its domain knowledge to build a digitally enhanced FAO portfolio, including modular solutions with in-built automation such as digitalCOLLEAGUE."

Namratha Dharshan
Chief Business Leader, ISG India Research

"

HCLTech has made substantial and very effective investments in technologies, tools, partnerships, delivery, and support that advance it as a leader in procurement BPO and transformation for large enterprises and midmarket firms alike."

Bruce Guptill
Executive Advisor, Global, ISG

"

In the past 12 months, demand for intelligent document processing (IDP) platforms has accelerated in order to facilitate straight-through processing of complex data types and achieve higher data processing accuracy. HCLTech is meeting this enterprise need through a patented intelligent character recognition engine that can detect complex data such as barcodes, signatures and stamps. It is filing more patents to enhance its artificial intelligence and machine learning capabilities for handwriting detection, forgery and tampering with checks. It augments these capabilities through its proprietary IDP platform, EXACTO™, which can extract and classify data from more than 16 languages and detect over 35 file types.

HCLTech is a prominent player in IDP because of its focus on delivering experiential services through its Startup Ecosystem Innovation Platform & Program and its expansion in financial and manufacturing sectors through industry-specific use cases. These features have made it a leader in Avasant's Intelligent Document Processing Platforms 2022 RadarView."

Chandrika Dutt
Research Leader, Avasant

EdTech Business Services

During the year, we launched EdTech Business Services to power enterprise talent acquisition and mobility. Leveraging our 46+ years of experience, our primary objective is to assist governments, enterprises and educational institutions in establishing technology and talent skill academies through our Career Shaper Learning and Assessment Platforms.

The services catalog include end-to-end solutions to scale talent with predictability, and we support this objective by providing assessment centers, talent academy, talent transformation programs, EquITy Center of Excellence and advisory services.

The platforms encompass a suite of solutions for digital, cybersecurity, engineering, cloud and data science with customisable Now and Next™ learning programs based on talent cohorts. Built on SkillMesh™ framework, the assessments platform supports enterprises to standardize hiring, measure skills gaps to provide insights on core and adjacency skills of candidates.

Business Strategy

With multiple platforms available in the market, our strategy is to support clients to acquire and retain talent through competency-based skilling and hiring. While most service providers focus on disseminating learning, our platform has been built to help learners acquire competencies for the next job level.

The business expansion strategy is to focus on HCLTech's clients by leveraging our global sales network, while also reaching out to new clients and channel partners.

Key Highlights

In the first year of operations, we have been able to win mandates from several Fortune 500 companies across industry verticals that include engineering, gaming, publishing, BFSI, healthcare and talent advisory solutions. We have also signed channel partnerships with Wall Street English, a global English language learning academy, and The University of Melbourne. We have been able to participate in the localization vision of a few governments, skilling sectorial councils and large organizations to shape their ideas on talent transformation.

Outlook for FY24

We will continue the momentum through global sales networks to establish connections with local government and educational institutions to skill talent with scale and predictability. We will also prioritize onboarding new G2000 customers and becoming their preferred partner for talent acquisition and learning.

Engineering and R&D Services (ERS)

This business segment spans the entire spectrum of digital engineering solutions across new product development, network engineering, collaboration services, software product engineering, data engineering, connected experiences and platform-as-a-service.

ERS offers a comprehensive range of product and platform engineering services to help G2000 enterprises accelerate time-to-market and time-to-monetization, and stay ahead of their competition. In addition, our portfolio of services under manufacturing operations, helps enterprises improve their manufacturing throughput. With expertise in both traditional and digital engineering, coupled with investments in emerging technologies, we are uniquely positioned to meet evolving needs of our customers.

Differentiators

- 101 of the top 250 global engineering R&D spenders
- Top global player for decades
- Product engineering heritage
- Strong traditional and digital engineering capabilities
- Unique propositions for asset-heavy industries
- Market share expansion from a leadership position

Focus on High-growth Verticals

Looking at the market demand and growth projections, verticals such as software and internet, automotive and semiconductors are growing faster compared to other verticals. A lot of investments are happening to leverage emerging technologies like AI, metaverse, blockchain, cloud computing etc. to create phenomenal consumer experiences. Increasing electronics and semiconductor content as a part of the product, across verticals are driving ER&D spend. In addition, we are aiming to increase our share in verticals such as rail and energy and utility, where we see significant headroom for growth.

Digital Engineering

Our carefully crafted digital engineering offerings portfolio covers all foundational elements: cloud engineering, digital platforms, digital commerce, digital manufacturing, 5G engineering, data engineering and AI, SilicoNxt and silicon platform services. What sets us apart from competitors is our legacy of driving sustainable business impact through digital engineering with our unique combination of deep industry expertise and engineering excellence.

Geo Expansion

U.S. is our largest market but we are seeing growing demand for our services in geographies such as Europe and Japan. We are investing heavily in these geographies to capitalize on the larger market opportunity. In addition, given our focus on semiconductor industry, and Japan as a market, Taiwan and South Korea also become important geographies for us. Lastly, India as a market is gaining momentum, especially with increasing importance of global capability centers (GCCs).

No. 1
Engineering services provider as per Everest Group's 2022 PEAK Matrix® Provider of the Year awards for Engineering Services

400+
Enterprises trust us for engineering programs

2,200+
Patents driving innovation for clients

100+
Engineering labs accelerating time-to-market

$90B+
Addressable market

16.8%
FY23 growth in constant currency (YoY)

$2084.1M
Including Starschema FY23 revenue

Key Areas of Focus

1

Product Engineering

It brings the engineering rigor to scale complex new products and systems and help enterprises tap into the full potential of their product portfolio. Our product engineering services help clients:

- Accelerate time-to-market and time-to-monetize of products and platforms.
- Gain a competitive edge by taking advantage of innovation opportunities.
- Streamline product development lifecycle operations.
- Re-engineer products in terms of cost, features and performance.
- Design, test, upgrade and scale next-generation products and systems.
- Maximize return-on-innovation at every stage of product design and development.

2

Digital Engineering

We help enterprises reimagine their businesses for the digital era and augment business value through the following:

- Accelerate digital transformation and business resilience.
- Outline a digital roadmap and roll out your digital strategy.
- Build, run and maintain secure and highly scalable platforms.
- Facilitate adoption of new technologies and emerging areas.
- Rethink digital products and services and adopt collaborative digitized engineering processes.
- Generate new revenue streams by monetizing existing assets and creating new ones.

3

Operational Technologies

This segment plays a crucial role in ensuring manufacturing resilience and allowing organizations to evolve beyond the efficiency benefits associated with digital. Our OT services help clients:

- Unlock business potential with engineering technologies that link production processes with real-time internal and external ecosystem data.
- Improve production processes and supply chain productivity with scalable cyber-physical systems.
- Effectively translate design intent from the virtual world to the manufacturing floor.
- Simulate and optimize complex manufacturing processes.
- Handle variance and volume by compressing time and increasing production agility through concurrent engineering.

As forward-facing enterprises reimagine businesses for the digital age, HCLTech is helping them supercharge engineering of the future. We are accelerating non-linear value creation for global enterprises by helping integrate digital technology-led innovations across the entire product value chain. We help our clients build new or re-engineer existing products, services, engineering processes and manufacturing operations with digital technologies. Our end-to-end capabilities, combined with our deep vertical expertise and engineering excellence, make us a one-stop partner for enterprises across industries. Over the years, HCLTech has been recognized as a leader in Digital Engineering services by multiple industry analysts including Everest, Zinnov and Gartner. What sets us apart from competitors is our legacy of driving sustainable business impact through digital engineering with our unique ability to bring in best practices from adjacent industries. This is why we don't just help enterprises achieve efficiency but enable growth also by helping them launch innovative products, become platform-ready and create phenomenal experiences for all stakeholders with Total Experience (CX, EX, UX, MX).

Analyst Perspectives

HCLTech has retained its position as a Leader in Everest Group's Software Product Engineering Services PEAK Matrix® Assessment 2023

A balanced focus across ISVs and enterprises, and coverage of all key markets have helped the company maintain its growth trajectory. HCLTech continues to invest in CoEs, IP and partnerships across cloud engineering, automation, DevOps, UI/UX, etc., while also tapping into synergies with its products and platforms business. Acknowledging the importance of having relevant talent across shores, HCLTech is proactively investing in upskilling initiatives and enhancing its nearshore delivery presence. Clients have particularly appreciated HCLTech' s project management, leadership access and openness to engaging in emerging commercial constructs."

Mayank Maria
Vice President, Everest Group

HCLTech Is Recognized As A Leader In Zinnov Zones For Engineering R&D Services 2022

HCLTech's transformational framework, Industry NeXT, is helping it develop a unique digitally-powered cognitive ecosystem for its clients. The firm's strong engineering legacy has enabled it to win large deals across Platform Engineering, Cloud Engineering, Digital Manufacturing, Silicon Platform Solutions, Data Engineering & AI and 5G Services & Solutions. This coupled with its continued investments in modern technologies, focused acquisitions, IP development, strategic partnerships, and infrastructure has helped it enjoy its leadership position in the 2022 Zinnov Zones ER&D Services Ratings."

Sidhant Rastogi
Managing Partner and Global Head, Zinnov

HCLTech Named Leader In Everest Group's Digital Twin Services PEAK Matrix® Assessment 2022

HCLTech is helping enterprises dive into the benefits of Digital Twin by offering a strong set of Digital Twin capabilities with its partnership focus across established vendors and specialist players. It also executes strong domain knowledge that helps clients overcome use case-specific challenges to Digital Twin adoption.

Alisha Mittal
Vice President, Everest Group

HCLTech Positioned as a Leader in IDC MarketScape Worldwide Manufacturing PLM Systems Integrator and BPO Services Vendor Assessment 2022

After a thorough evaluation of HCLTech' s strategies and capabilities, IDC has positioned the company in the Leaders category. HCLTech continues to be one of the largest PLM systems integrators in the market, as measured by revenue, employees, industry experience and breadth of geographic coverage.

Cloud Strategy

HCLSoftware is guided on the basic principle of offering customer the choice of deployment to move to industry-oriented cloud.

Business Cloud

- We provide industry-leading solutions that are designed to support the entire life-cycle from applications to endpoints.
- 8M+ apps on low code platform

Hybrid Data Cloud

- Customers demand a data platform that is dependable, adaptable and simple to use. We deliver on that promise with our analytics database and cloud data platform.

Unified AppDev Cloud

- From secure collaboration and automating core processes to creating omni-channel and contextual experiences, our solutions help companies transform digitally.

Intelligent Automation Cloud

- Transforming and simplifying IT and business operations by leveraging AI and cloud.

Market Focus and Impact

Digital Transformation

- Up to nine times faster and 16 times cheaper than other solutions
- A marketing message touches a third of the earth's population daily

Enterprise Security

- 100M+ endpoints managed and security daily

Data and Analytics

- We deliver an analytics database and cloud data platform that is dependable, adaptable and simple to use.

Business Impact

- 2M+ monthly conversational AI interactions
- 1M+ server on AIOps

Client Perspectives

"

HCLSoftware and GBM took time to really understand our fast-moving business and knew the best way to help us achieve our digital transformation goals with HCL DX."

Al-Futtaim Group

"

There's been a 3X boost in offer response rates thanks to enhanced targeting based on the customer behavior models we use. It only took us six months to get a return on our investment with Unica Interact."

Ali Kazerani
Senior Manager, Marketing Strategy, Bank of Montreal

"

We had multiple workflows and management routines to run Vector on-premises. We had been a bit concerned about how long it would take to get them up and running on the Avalanche platform, but they pretty much worked right out of the box. The migration was completely invisible to our end users, and that was exactly what we hoped."

Andrew White
Executive Vice President of Solution Engineering, PredictX

"

Leveraging HCLSoftware, we are accelerating our journey in order to innovate our digital landscape and our business processes."

Silvia Gabrielli
Chief Data & Innovation Officer, Ferrari

Supercharging Progress for our People

Unlocking People Potential

Our 225,000+ people are our biggest strength and help us create differentiation in the market through their passion and commitment. We are focused on being an employer of choice for the best talent and providing them with great, inclusive workplace experiences and opportunities to learn and grow.

HCLTech's Employee Value Proposition: Find Your Spark

We are a leading global technology company, yet we remain rooted in the startup mindset that propelled us to success. Our unwavering commitment to ideas and innovation have been the driving force behind our exciting growth journey. We firmly believe that every remarkable achievement begins with a single spark of inspiration.

We strive to help our people find their spark to realize their full potential and discover fulfilling careers. We recognize that by prioritizing our people's well-being, we enable them to deliver exceptional results for our clients.

Pillars of Find your Spark:

- Embracing next-gen work environment and culture
- Creating enriching job experiences
- Delivering employment our people can trust in
- Elevating employee experience: inspiring DEI, driving CSR and championing ESG engagement

225,944
Employees

60
Countries

161
Nationalities

29.2%
Women employees

Rated Top Employer
in 25 countries; ranked No. 1 in 18 countries


Our new batch of apprentices during an orientation session in the U.S.

Pillars of Find Your Spark

Embracing Next-Gen Work Environment and Culture

- Gen Z Focus
- Learning opportunities at all levels
- Hybrid operating model
- Flexibility to pivot industry or role when ready

Creating Enriching Job Experiences

- We provide industry-leading work assignment, often the first-of-its-kind with the world's best brands
- We democratize learning by moving from role-based to skill-based learning
- Focus on next-gen capabilities
- We offer learning opportunities across the full spectrum of digital, engineering, cloud and AI

Delivering Employment that Fuels Confidence

- Global scale you can rely on
- Fast-growing large tech company
- Expansion to New Vistas and nearshore regions
- Frequently recognized as Top Employer

Providing Exciting Employee Experience: Inspiring DEI, Driving CSR and Championing ESG Engagement

- Global culture
- Ideapreneurship— the ingrained belief that anyone, no matter at what level, can give, execute and scale 'value-creating' ideas
- Diverse and inclusive work environment with industry-leading DEI programs
- Recognition programs to keep the employee spark alive
- Immense focus on ESG/CSR to weave in employee's work-life integration

Embracing Next-Gen Work Environment and Culture

We understand the unique needs of the Gen Z workforce and have tailored our approach to provide an environment where they can thrive and grow.

Through our TechBee program, we engage with the next generation early and provide them with core technology skills on the job and a platform to continue with their education, in the process we gain valuable insights to transform our policies, practices and programs to cater to their expectations.

The Apprenticeship program in the areas of business analysis, new-age technologies, finance, HR, marketing and project management for high school graduates has been recognized as a ground-breaking initiative by leading analyst firm Technology Business Research (TBR).

HCLTech's people-centric culture fosters productivity and performance in hybrid work environments. We actively listen to our employees through benchmarked surveys and sentiment analysis.

As part of our commitment to inclusivity and flexibility, we provide a work environment and benefits that accommodate every individual's needs. This approach empowers our people to work on their terms while maintaining a healthy work-life balance.

We believe in nurturing talent, embracing emerging work trends and creating a culture that enables every individual to excel and succeed. By fostering a next-gen work environment, we ensure that our people have the opportunities and support they need to thrive in their careers.

The first batch of TechBees from India upon completing graduation from SASTRA Deemed University, one of the TechBee academic partners in the country.

Employee Perspectives

Coming out of the university and joining a corporate job can sometimes be a little anxiety-inducing when you are not sure how your theoretical knowledge will be tested in applied aspects. But HCLTech was there the whole way, ensuring that I was ready and able to perform well at my position, providing one-on-one mentorship in my role and making sure that I understand the technology stacks that I am getting my hands on. It allows me to feel confident in the work I am doing."

John Stegmaier

Junior Software Developer, HCLTech Canada

TechBee has been a life-changing opportunity for me. This program helped me start my career and brought a positive outlook to my life. The exposure I gained working on global projects has enhanced my skills and knowledge and will serve me well in future."

Lakshmi Mantri

TechBee Scholar, Andhra Pradesh, HCLTech India

Creating Enriching Job Experiences

We believe that empowering our people with the right skills and experiences is essential for their professional fulfillment and our collective success. Our clients are accelerating the adoption of disruptive and next-gen technologies. To stay ahead in a rapidly evolving technology landscape, we are embracing skill-based talent management and democratizing access to knowledge.

Moving away from role-based learning, we focus on developing next-gen capabilities and talent across a wide spectrum of digital, engineering, cloud and AI technologies. Our learning frameworks embrace the latest technological advancements, from GenAI to ESG-driven technology solutions and 5G/6G applications.

By aligning our recruitment, recognition, progression, reward, learning, performance and staffing processes with skills, we ensure that our workforce is equipped to meet the dynamic demands of our clients. This shift to skill-based learning has also positively impacted internal fulfillment and talent mobility. Over 15% of the demand for key skills is now fulfilled through upskilling .

We are also working to gamify the learning process that will start with employee self-enrollment based on their interest and subsequent deployment in their chosen area. This is another way of giving choice and control to our employees for their upskilling.

HCLTech celebrated 14 years in Mexico with the opening of a new technology center in the country. Key government dignitaries graced the occasion.

Leader Speak

The Gen Z talent characteristics have driven changes to two important parts of our approach to talent management—and to our culture overall—in the last several months. First, we've redefined skilling as interests led by employee aspirations rather than business or customer requirements. Second, we've created a rules-based internal talent marketplace, where employees get to choose their next role and the type of projects they want to work on, based on their overall career progression and ambition."

Ramachandran Sundararajan

Chief People Officer, HCLTech
(In a panel discussion with Fast Company)

70,266

Employees trained in digital skills

151,882

Employees trained in core skills

24,000

Employees benefitted from behavioral and leadership skill development courses

9.4M

Overall person-hours invested in trainings in first three quarters

Industry Recognitions

- Named a Leader in Talent Readiness and Digital Talent Capability in 2022 by the Everest Group and Avasant RadarView
- HCLTech's STAR Team (School of Talent Advancement and Reskilling) won four awards at the Times Ascent Asia Pacific HRM Congress in Bengaluru, India. STAR drives several Learning and development initiatives for Engineering and R&D Services employees.
- Recognized by Wake Tech as Work-Based Learning (WBL) Employer of the Year

Employee Perspective

Throughout my 15-year-long career at HCLTech, I was given the opportunity to learn, unlearn and relearn a lot of new technologies that not only helped me grow, but also helped me be at the cutting-edge of technology, delivering great products for our customers."

Gopal A

Engineering and R&D Services, HCLTech India

Delivering Employment That Fuels Confidence

At HCLTech, we provide our people with work opportunities they can trust, ensuring their growth, development and empowerment.

We have established a global presence that our employees can depend on. With our expansive reach and expertise, we deliver innovative solutions and opportunities across the globe.

New Vistas and Nearshore Initiatives

Through our New Vistas and nearshore initiatives, we not only meet growing market demand for our services, but also leverage the thriving ecosystems that these locations offer. By integrating local talent, we foster a diverse and inclusive workforce. Our industry-leading localization efforts further strengthen our engagement models, ensuring the success and satisfaction of our employees.

Major nearshore operations – Romania, Mexico, Sri Lanka, Philippines, Canada, Guatemala, Poland and Brazil.

Recent nearshore operations - Costa Rica, Morocco, Hungary, Spain, Portugal, Lithuania, Czech Republic.

New Vistas India - Our New Vistas locations in India (Madurai, Lucknow, Vijayawada and Nagpur) have not only scaled in size but also diversified to represent delivery operations of all our service lines.

17,067
Net addition in FY23

8.2%
Headcount growth in FY23

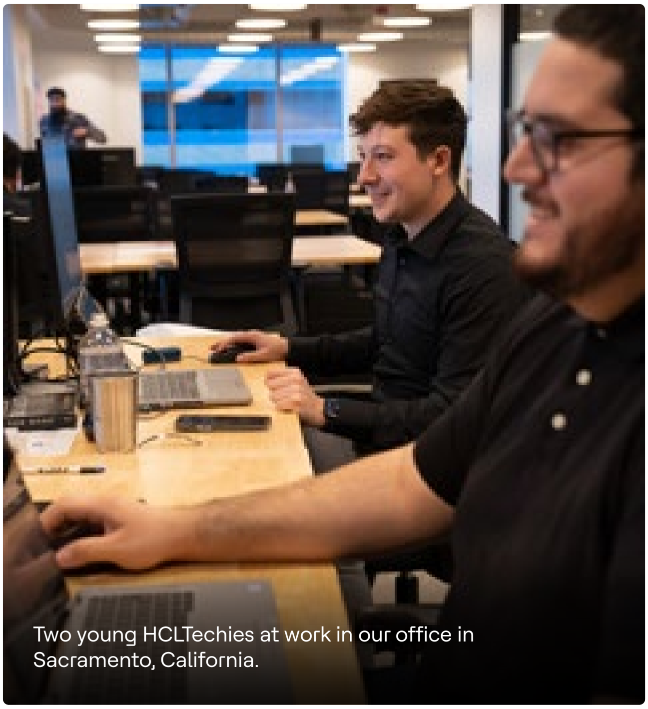
26,734
Freshers added in FY23

19.5%
Attrition rate in FY23, down from 21.92% in FY22

20
Nearshore locations across the globe

23,478
Headcount in nearshore countries

13%
Share of New Vistas workforce representing India headcount



Two young HCLTechies at work in our office in Sacramento, California.

Employee Perspectives

I have transitioned from research project management to technology administration and now to a support operations lead. More than a company, HCLTech is my constant school and community!"

Roberta Preussler dos Santos

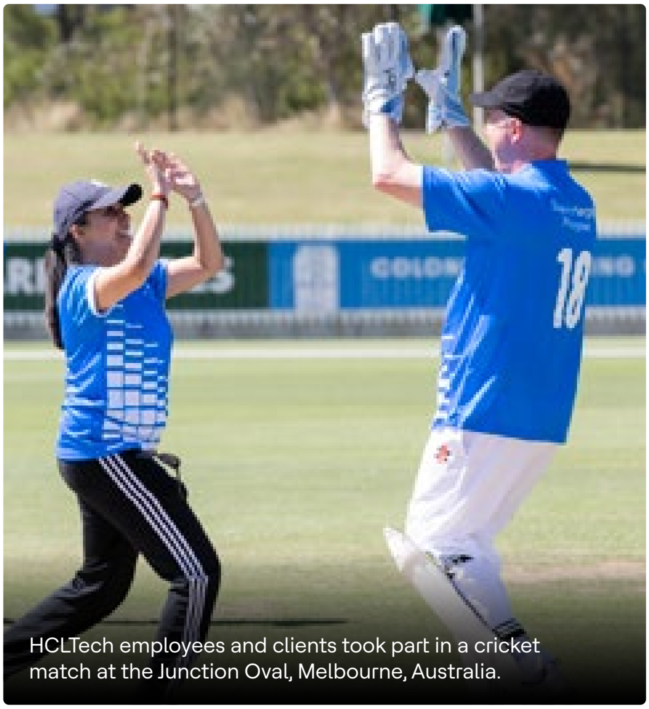
Track Lead, HCLTech Brazil

My experience since I started working for HCLTech more than a year ago has been nothing short of extraordinary. I have been able to succeed and learn in a multi-cultural team, interacting on a regular basis with people from various Geos. Thanks to the cooperative and diverse set of co-workers who motivate me every day, I have had the chance to greatly improve my abilities and knowledge. Additionally, HCLTech's emphasis on work-life balance has given me the freedom to pursue personal interests while performing at the highest level in my position."

Paul Colcea

Program Manager, Digital & Analytics, HCLTech Romania

Holi and Women's Day Celebrarions at Madurai, India.



HCLTech employees and clients took part in a cricket match at the Junction Oval, Melbourne, Australia.

Industry Recognitions

- Recognized as a Global Top Employer 2023
- Recognized as Top Employer in 25 countries, out of which we were ranked No. 1 employer in 18 countries, by the Top Employers' Institute
- Certified as a Great Place to Work in the U.S.
- Named an Arogya World 2022 Healthy Workplace by Arogya World - a U.S.-based global nonprofit organization working for the prevention of non-communicable diseases through health education and lifestyle changes

Employee Experience

The following initiatives strive to empower our employees, foster excellence at all levels and create an environment where everyone can thrive and grow:

Inspiring managerial excellence

Through 360-degree assessments across all levels, employees have the opportunity to share their "wow" moments enabled by their managers on our internal social network, inspiring managerial excellence.

Managerial badges

We convert the feedback received from employees into "badges" earned by managers, recognizing and showcasing their exemplary behavior.

Data-driven insights

We provide business leaders with dashboards that offer employee feedback, sentiment analysis and listening tools.

We are refreshing our technology, processes and policies to center them around employee experience. This includes intuitive user interfaces, process designs that prioritize employee experience, the adoption of cutting-edge technologies and the utilization of analytics and data science to drive insights and improvements.

We are also reimagining the entire onboarding process to improve the experience for new employees. By streamlining the journey from the offer stage to their first day at HCLTech, we ensure a seamless and engaging transition for our new hiers into our organization.


HCLTech Brazil employees collaborating on a business project.

Providing Exciting Employee Experience: Inspiring DEI, Driving CSR and Championing ESG Engagement

Diversity, Equity and Inclusion (DEI)

Our robust DEI strategy is carefully crafted to ensure that every employee feels included, valued and respected, recognizing the importance of seeing our employees as individuals, fostering a climate free of bias, promoting equity and embracing the unique perspectives and backgrounds of everyone.

To bring our DEI charter to life across the globe, we have established employee resource groups, multicultural groups and a diversity council. Our focus on diversity and inclusion extends to various dimensions, including people of color, women, LGBTQIA+ individuals, people with disabilities (PWD), neurodiversity and mental health.

DEI is deeply ingrained in our business values, influencing not only our hiring strategy but also our talent statistics.

- Four out of five employees in the major geographies we operate in are local hires
- Gender diversity improved to 29.2% during FY23
- Gender diversity at senior leadership level (E6+) has grown by 24% in the past five years
- A diverse board, with more than 30% women directors
- Headcount of people with disabilities has increased by 9%
- Founding member of World Economic Forum's (WEF) Global Parity Alliance on DE&I
- Joined a cohort of the largest and most progressive companies in the world to pledge the CEO Action for Diversity & Inclusion
- Campaigns to welcome LGBTQIA+ talent into the organization
- 49% of female students in total campus hiring mix
- HCLTech offers a returnship program to women, military veterans and all eligible candidates who wish to return to corporate life after a long career break
- Momtastic Program resulted in 98.7% of women returning to work post maternity
- 10,000+ different technical and behavioral trainings offered to employees
- Programs such as ASCEND, Steppingstones, DECODE, Senior Hire Integration Program for women employees
- 27% of senior women employees in revenue generating roles
- Inclusion Lab, set up to improve the 'inclusion quotient' of senior leaders, business leaders and people leaders, covers 23,000 employees
- Active employee resource groups – Women Connect Network, Single Parent Network, Pride Group, The Heritage Network, Ability Connect Network

Industry Recognitions for our DEI Efforts

- Times of India and Ask Insights recognized us as the Diverse Company of the Year 2022, at the Global DEI Summit 5.0.
- We received the Brandon Hall Excellence Awards in following categories: best DEI strategy, best advance in leading DEI initiatives, best advance in leadership development for women, best learning program for unconscious bias awareness and best use of ERG for DEI.
- We are among the 2022 Avtar & Seramount's 100 Best Companies for Women in India and an "Exemplar of Inclusion" in most Inclusive companies' index. In the Seramount's 2022 Global inclusion index, HCLTech has earned a spot in 14 countries.
- We were recognized with Silver award in India Workplace Equality Index 2022.

Employee Perspectives

I am a living example of HCLTech's promise to empower lives. After my accident, HCLTech made me feel I could still live independently - the entire campus is accessible. From my job interview onwards, I've never been allowed to feel different. Here 'inclusion and diversity' are not mere words on the corporate agenda; they're part of the company's culture."

Priyanka Srivastava

Deputy Manager, Digital Foundation Service

HCLTech India

HCLTech's culture has been a remarkable aspect of my experience as an LGBTQIA+ individual within the workspace. The notable part is the respect and acceptance I have consistently received from everyone I engage with daily. I am embraced for who I am, cultivating an environment where I can truly be myself."

Camillo Louvise (He/Him/His)

Marketing Head, HCLTech Brazil

Employee Benefits and Incentives

We prioritize the well-being and satisfaction of our employees by offering a comprehensive range of benefits and incentives that enhance their overall work experience.

- Employee Assistance Program benefits (For example, unlimited telephonic clinical assessments and up to three professional assessments) are free of charge and available 24/7 to all family members
- Performance recognition platforms like Achievers League, O-Infinity, Hall of Fame, Ultimate Ideaprenuer, Red Ladder Awards, peer-to-peer recognition, team awards and spot recognitions
- Medical benefits and insurance
- Vaccination/health check-up drives
- Paid time-off for short-term disability
- Bonus program includes short-term incentive/ annual variable bonus, sales/revenue-linked incentives
- Long-term incentive (LTI) plan for senior management
- 401-K retirement plan (U.S.) and company pension plan (India)
- Autism behavioural therapy (U.S.)

People Engagement with ESG/CSR initiatives

We believe in the power of our people to supercharge progress for our communities and the planet. Our people don't just engage in our CSR efforts, they drive them. We tackle issues that deeply matter to our employees and where we have unique expertise.

Through our commitment to ESG, reflected in our Act, Pact and Impact initiatives, we empower employee volunteering, supported by policies and a strong culture of community contribution. By aligning their interests with the UN Sustainable Development Goals (SDGs), we tap into the talents and time of our employees to create a lasting impact.

HCLTech Poland employees participating in a community volunteering program.

She Powers Progress: Celebrating Women in Technology

When women embrace technology, it's not just good for women, it's good for clients, culture, collaboration, business, humanity and progress.

We recognize the vital contributions of women in technology, and we celebrate their achievements. "She Powers Progress" shines a spotlight on the inspiring women who are creating value for our organization and supercharging progress for our clients.

We firmly believe that supporting women is a collective effort to foster progress and inclusivity. By empowering women in technology, we are driving innovation, unlocking new perspectives and amplifying the collective impact of our organization.

#SheTheFuture

We are showcasing inspiring stories of the next generation of women in technology. Through our #SheTheFuture campaign, we highlight the achievements of young women who are making their mark in science, technology, engineering and mathematics (STEM) careers. By sharing these stories, we inspire and pave the way for a new era where more girls aspire to pursue careers in STEM.

Employee Perspectives

To all the women and young girls out there, I'd like to say, never let anyone tell you that you can't do something because you're a woman; work hard to disprove their claims. When you have a dream, you must grasp it and hold on to it no matter what, because nothing is impossible for those who try."

Vatsla Khattar

Software Engineer, Digital Business, HCLTech India

My advice to young women in STEM is to live a life of continual education. This is probably also applicable to other fields, but for technology specifically, in such a dynamic and changing field it is important to always be learning new concepts and skills to not only stay competitive, but also to expand your base of knowledge."

Alaina Fletcher

Associate, Apps & SI, HCLTech U.S.

HCLTech Romania employees in a business strategy discussion.

Supercharging Progress for our Communities

Corporate Social Responsibility

HCL Foundation has transformed 5.5 million lives through its programs.

At HCLTech, we are deeply committed to giving back to the society and supporting inclusive growth of local communities where we operate. Our corporate social responsibility (CSR) framework is aligned to the UN Sustainable Development Goals (SDG) to create lasting positive impact on people and the planet through long-term, sustainable programs.

Transforming Communities in India

The award-winning HCL Foundation delivers the CSR agenda of HCLTech in India. The Foundation's initiatives have thematic focus on education, health and sanitation, skill development and livelihood, environment and disaster risk reduction and response. Child protective strategies, inclusion and gender transformative approaches remain central in all initiatives of the HCL Foundation, ensuring equitable development and opportunities for all.

₹1,137+ Cr
invested in programs till date

5.5M+
lives transformed (50%+ women)

12,000+
Persons with disabilities reached (43% women)

57B+ liters
water harvested

20 states, 3 UTs and 91 districts
covered in India

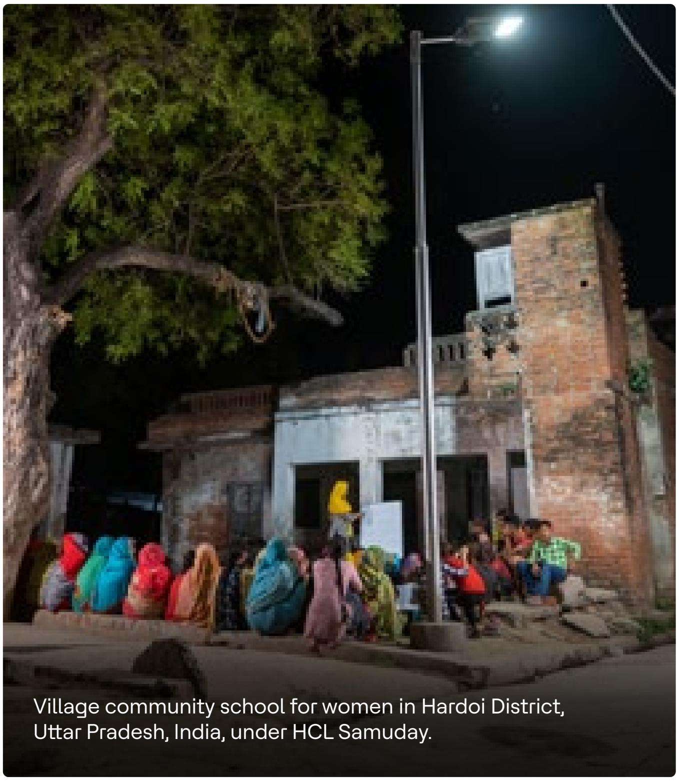
1.45+ million saplings
planted till date

66,000+ acres
of land greened and brought under community management

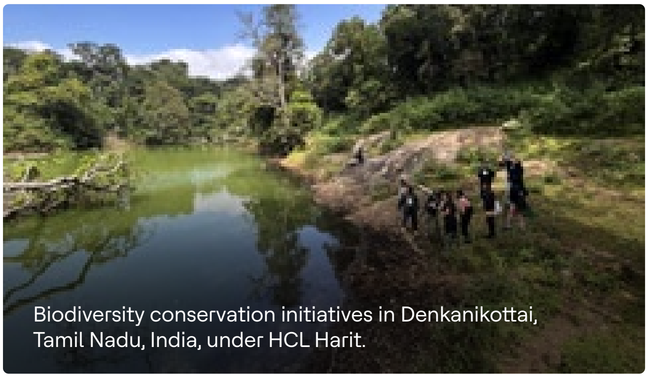
24,000 tons
of waste managed

670,000+ hours
of employee volunteering enabled

15 of 17
UNSDGs addressed


Village community school for women in Hardoi District, Uttar Pradesh, India, under HCL Samuday.


Healthcare initiative for rural communities in Nagaland, India.


Biodiversity conservation initiatives in Denkanikottai, Tamil Nadu, India, under HCL Harit.

Flagship Programs

With a wide range of interventions, from integrated rural development to urban poverty alleviation and supporting path-breaking work by NGOs, HCL Foundation's flagship programs are making a positive change within underserved communities.

HCL Samuday

Our biggest rural development program, HCL Samuday, deepened its impact in Hardoi district of Uttar Pradesh and spread its wings in Thoothukudi district of Tamil Nadu. We sharpened our focus on women farmers and signed a memorandum of understanding (MoU) with Banas Dairy, one of Asia's largest dairies, which has the potential to benefit more than 25,000 farmers, enhancing family incomes multi-fold. The program has transformed 2.1 million lives so far.

HCL Uday

With a mission to break the cycle of urban poverty, HCL Uday strengthened its work in 127 slums across 11 cities. With the help of 104 partners, the program has actively worked to improve socioeconomic indicators in ultra-poor urban communities in the immediate neighborhood of HCLTech campuses and has served nearly 890,000 individuals. The program attracted large-scale volunteerism from HCLTechies.

Major Recognitions

National CSR Award 2020

by the Ministry of Corporate Affairs, Government of India

Best CSR Practice Award

for 2021 by the Asian Centre for Corporate Governance & Sustainability

The CSR Universe Social Impact Award 2022

in two categories: Skill Development & Livelihood, and Promotion of Sports

HCL Harit

Our flagship environment action program, HCL Harit, has continued to conserve, restore and enhance indigenous environmental systems and biodiversity and respond to climate change in a sustainable manner through community engagement. Operational in nine states (Uttar Pradesh, Tamil Nadu, Karnataka, Maharashtra, Andhra Pradesh, Odisha, West Bengal, Uttarakhand and Telangana) and aligned to UNSDGs 4, 6, 13, 14, 15 and 17, HCL Harit aims to build scalable and replicable models that are economically viable, socially acceptable, environmentally sustainable, holistic and inclusive.

Key Highlights

- Felicitated for its support to Clean Ganga Fund, at the Ganga Utsav 2022
- Signed an MoU with Tamil Nadu Forest Department for marine and coastal conservation in the Gulf of Mannar region
- Piloted Waterbody Decision Support System in Madurai District, Tamil Nadu, with Madurai District Administration
- Received special accreditation for the UN Water Conference 2023, held in New York

HCL Grant

In its eighth edition, HCL Grant received 15,293 registrations in FY23, an 82% increase from FY22. During the year, the program further expanded its reach by awarding the coveted Grant to three NGOs: Meghshala Trust, Innovators in Health (India) and Planatearth. Through 40 HCL Grant NGO partners, we have impacted lives of 1.8 million people living in some of the remotest parts of India and have brought under sustainable community governance over 64,000 acres of common and forest land.

Clean Noida

Clean Noida, a public-private partnership project executed in collaboration with the Noida Authority, is dedicated to the objective of transforming Noida into a visibly clean city. Building on previous successes in fostering positive behavioral changes in managing the entire waste cycle, with a specific focus on the circular economy, the program has expanded its efforts this year to address the issues of single-use plastic and e-waste within the city. Additionally, citizen engagement has been enhanced through the establishment of the Clean Noida Volunteer Club. As a result of these concerted efforts, Noida has maintained its position as one of the top five cleanest cities in the country, according to the Swachh Survekshan 2022, an annual cleanliness survey conducted in India.

Special Initiatives

Sports for Change

The initiative aims to harness the potential of sports by bridging access-gap at the grassroots and empowering youth from disadvantaged communities. It has touched 18,000+ students, of which 234 participated in district/state/national level competitions. A total of 84 para-athletes were also supported, of which 13 represented India at various international competitions. SFC combined with Power of One scholarship made us proud this year.

Jerlin Anika receiving Arjuna Award from Smt. Droupadi Murmu, the President of India.

Jerlin Anika, our sports scholar under Sports for Change initiative, became India's first woman Deaflympian to receive the prestigious Arjuna Award, the second-highest sporting honor of India.

My E-Haat

My E-Haat, the ecommerce market for artisans, listed 900+ products, providing artisan-customer connect at a global level with a focus on innovation in promotion of indigenous handicraft.

HCL Foundation Academy

To enhance the capacities of the development sector workforce, the HCL Foundation Academy organized four high quality courses to train 835 people across 14 batches.

Scaling up CSR Initiatives Beyond India

HCLTech is a proud supporter of the McGrath Foundation's efforts to combat breast cancer.

Employees in New York volunteered for the Grassroots Grocery initiative.

We are focused on taking our India CSR source code to transform communities across our global footprint. We do this through partnerships with development agencies and charitable organizations as well as employee volunteering programs.

This year, we established global CSR councils that actively engaged in conducting comprehensive assessments of local issues, aiming for a deeper understanding of the challenges at hand. As a testament to our commitment, we have initiated nearly 200 diverse social initiatives across various geographical locations, further strengthening our impact on a global scale. We are determined to continue making a positive difference in the world through our unwavering dedication to corporate social responsibility.

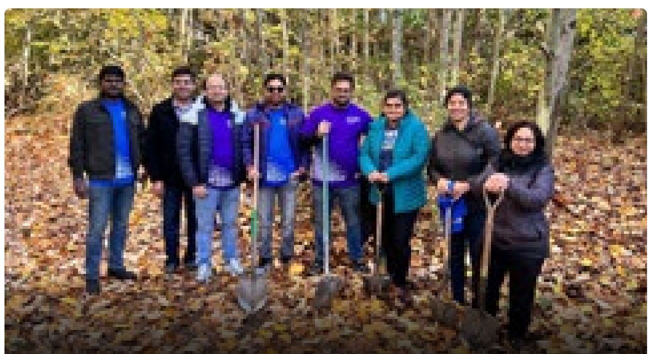
We are proud to forge new partnerships with Girl Up, Feeding America and One Tree Planted as we scale up our CSR initiatives in the Americas.

Through our collaboration with Girl Up, we aim to empower young leaders and create opportunities for education and employment. Our focus on science, technology, engineering and mathematics (STEM) for social good will foster innovation and contribute to building a sustainable world through technology.

In partnership with Feeding America, the largest hunger-relief organization in the United States, we are determined to fight against food insecurity and waste. Our employees will actively participate in volunteering opportunities across the country, making a tangible impact on hunger-related challenges.

Additionally, our association with One Tree Planted allows us to contribute to global reforestation projects. We have committed to planting 100,000 trees in the U.S., Canada, Brazil and Mexico to promote a greener future.

Employees in Sacramento, California, participating in a feeding volunteering drive.



Employees in Seattle, Washington, contributing to the One Tree Planted initiative.

Supercharging Progress for our Planet

Sustainability

We have embedded ESG principles at the heart of our business and operational strategies. Our unwavering commitment to sustainable and responsible progress aims to benefit all our stakeholders, contributing to a sustainable future for everyone.

Our ESG strategy is built on the tenets of Act, Pact and Impact.

Act

We understand that impact starts with us. We act in the most responsible and sustainable manner. We ensure we use every resource efficiently to garner the maximum value.

Pact

Working together for a sustainable future, hand in hand with our clients, partners, communities and other stakeholders.

Impact

We focus on creating a sustainable impact through all our initiatives and activities.

Environmental Goals

- Achieve net zero by 2040
- 50% reduction in absolute scope 1 and scope 2 emissions by 2030, compared to 2020 baseline
- 80% electricity usage from renewable energy by 2030
- Zero discharge from all owned facilities
- Achieve zero waste to landfill at all owned facilities by 2025

Governance Goals

- Strengthen the sustainable supply chain process
- Integrate ESG into risk management and internal audit processes
- Be recognized among industry leaders for information security practices and data privacy standards

Social Goals

- Improve the ESG knowledge and skills of employees
- Improve gender diversity in workforce, with 40% women employees by 2030
- Increase gender representation in senior leadership roles to 30% by 2030
- Be recognized among the best employers in our key operating geographies

Key Highlights of the Year

First Indian MNC
to join the Water Resilience Coalition and endorse the CEO Water Mandate

MSCI rated HCLTech as
ESG 'Leader' with 'AA' rating
in the software and services industry

26X
water replenished than we consumed during FY23 in India

The S&P Global Sustainability Yearbook 2023 has recognized
HCLTech as an 'Industry Mover'

22%
reduction in per capita scope 1 & 2 greenhouse gas emissions since the base year FY20

HCLTech included in Sustainalytics' 2023
Top-Rated ESG Companies
list in the Software and Services Industry segment and in Asia Pacific region

17.7%
increase in renewable energy consumption compared to previous year.

12.45 million square feet
office space is LEED Platinum rated

HCLTech's flagship Net Zero
Intelligent Operations (NIO)
won the 2023 IOT Evolution Industrial IOT Product of the Year award

Increased our renewable energy mix by
46.8%
improved energy efficiency (GJ/million revenue) compared to base year FY20

Creating Sustainability Champions

HCLTech Sustainability School

We launched HCLTech Sustainability School this year to educate our 225,000+ people on various aspects of sustainability. The climate change learning series, which was the first course to be launched by the school, seeks to promote awareness and empower employees to participate in climate action. The course addresses subjects such as biodiversity threats, resource extraction and reducing one's carbon impact. As of March 31, 2023, we have 21 hours of training material available in the school. Apart from climate change course, there are courses on topics like water, biodiversity and green software. HCLTech employees have clocked more than 10,500 hours of sustainability training.

Our people can be our biggest champions on sustainability and this learning series will provide them with practical tools so they can be agents of change within the company and their own communities.

Key Initiatives

Climate Strategy

Climate change presents risks to our business, both in terms of physical impacts and the need for transition. Clients, partners and investors are increasingly demanding reduced emissions. We acknowledge the potential risk of future carbon taxes. However, we see clear opportunities through climate action.

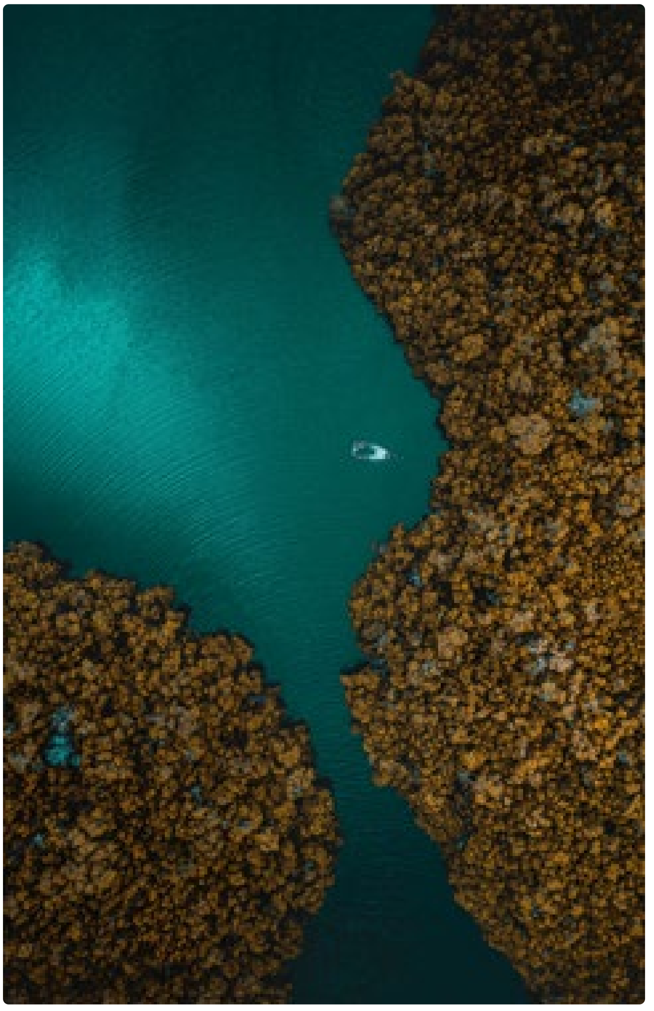
While transitioning to a low-carbon economy requires initial investment, it offers a favorable return on investment in many regions. Our IT services provide another avenue to assist clients in reducing their carbon footprint. As part of our net zero strategy, we have committed to limiting greenhouse gas emissions and aligning with the 1.5°C pathway by 2030, with the goal of achieving net zero target by 2040. We have a well-defined roadmap to fulfill this commitment. Additionally, we are investing in services that support clients and partners in meeting their climate change goals. We have also identified projects to collaborate with communities for a climate-resilient future.

Alignment with SBTi

We have achieved alignment with the Science Based Targets Initiative (SBTi). The SBTi's Target Validation Team has categorized our scope 1 and 2 and scope 3 target ambition as being in line with the 1.5°C trajectory. This recognition highlights our commitment to taking meaningful action to address climate change and demonstrates our dedication to reducing greenhouse gas emissions in line with global efforts to limit global warming.

Our Milestones Toward Net Zero

- **Scope 1 and 2 absolute emission reduction of 50% by 2030 from base year of FY20**
- **Transition to 80% of electricity usage to renewable energy by 2030**
- **Scope 3 absolute emission reduction of 42% by 2030 from base year of FY20 (Boundary coverage is 89.5%)**
- **Achieve zero waste to landfill at all owned facilities by 2025**



Energy Management and Efficiency

We recognize eco-efficiency as an opportunity to enhance process efficiency while minimizing environmental impact. We have implemented several energy efficiency initiatives aimed at reducing energy consumption, water usage and waste generation. These efforts not only contribute to our environmental goals, but also help maintain a positive social license to operate in the communities where our campuses are located. By prioritizing eco-efficiency, we strive to balance sustainable business practices with the well-being of the environment and local communities.

Key achievements in renewable energy usage:

- Renewable energy purchase has enabled the company to reduce emissions by more than 24,000 tCO_2e.
- Our on-site generation in India was 10% of the total renewable energy consumed in the country.
- 12% increase in the total quantity of renewable energy consumed compared to previous year.

Best Practices

- Electric vehicles for employee conveyance
- Daylight sensor installation for energy conservation
- Automatic tubes cleaning system for water-cooled chillers to enhance performance
- Sensor taps for water efficiency and conservation
- Cool Roof with Solar Reflectance Index to reduce excessive heating of buildings
- Replacing end-of-life equipment
- Ambient weather and air monitoring system to maintain indoor air quality
- Critical rooms' temperature monitoring to address critical gaps in HVAC to maintain optimal server temperatures
- SMART energy meters to report and monitor all energy consumption
- High Side Chiller Operational Performance Improvement to conserve energy and reduce emissions
- HVAC Performance Improvement to maintain energy efficiency
- Adopting energy efficient lighting
- Implementing effective utilization of UPS
- Elevator and STP optimization for energy conservation
- Water Conservation through rainwater harvesting and usage of treated water

Water Stewardship

Water conservation is a vital aspect of our commitment to driving progress sustainably and responsibly. We have implemented measures to improve operational efficiency and conserve water resources. These efforts include reusing water, treating sewage water for flushing and landscaping, adopting rainwater harvesting, using anti-scaling agents for water storage and implementing groundwater conservation measures. In FY23, these initiatives allowed us to conserve 31,036 kl of groundwater. Additionally, we have installed sensor-based water taps and implemented water-efficient operational controls.

Through water recharge structures and our company's community initiatives, we have increased the quantity of water replenished in FY23 by around 50% compared to FY22. We have helped replenish water 26X more times than the water we consume in India.

We have strengthened our commitment to sustainability and water conservation by becoming the first company headquartered in India to join the Water Resilience Coalition. We have also endorsed The CEO Water Mandate, an original project of the UN Secretary-General, which is a collaboration between the UN Global Compact (UNGC) and the Pacific Institute, aimed at promoting corporate water stewardship globally. Our support for this directive underscores our dedication to sustainable practices. The Water Resilience Coalition, which aims to alleviate water stress by 2050, has welcomed us as a member, recognizing our efforts to contribute to a more sustainable future.

Dr. Nidhi Pundir, Vice President and Global Head – CSR, HCLTech, and Dr. Santanu Basu, Project Director – HCL Harit, joined deliberations at the UN Water Conference 2023.

Waste Management

HCL Foundation's Clean Noida program is raising awareness around sanitation and waste management among citizens.

Clean Noida is an ambitious commitment by HCLTech to transform Noida into a globally recognized clean city. This initiative encompasses promoting environmentally conscious behavior, beautification, sanitation and waste management. We are dedicated to raising awareness about proper waste management practices and have implemented innovative solutions to segregate waste effectively. At HCLTech, our waste profile primarily consists of e-waste and non-hazardous waste such as food and paper waste. To achieve our goal of zero waste to landfill at all owned facilities by 2025, we have implemented measures such as recycling paper waste, disposing of hazardous waste following regulatory guidelines and utilizing leftover food and garden waste for creating manure. Furthermore, we have eliminated single-use plastics across all our campuses in India in 2019-20.

Waste Management Mechanism at HCLTech

E-Waste

Conventional lights have been replaced with LED lights. Projectors have also been replaced with LEDs, which have a longer lifecycle, thus contributing significantly to power consumption reduction and simultaneously reducing waste.

Paper

Initiatives including printer pin deployment, printer on alternate floors, setting a maximum printing limit, double-sided printing and font size reduction are supported with the goal of minimizing paper usage. Paper has been significantly conserved as a result of these actions.

Plastic

With the use of alternate arrangements, HCLTech has made its campuses in India free from single-use plastics in 2019 in accordance with the central and state government directives.

Other hazardous waste

Other hazardous wastes that include bio-medical waste and sanitary napkin waste are disposed in a safe manner.

Davos Dialogues

HCLTech collaborated with governments, businesses and civil society from around the world at the World Economic Forum (WEF) 2023 in Davos. Our leadership team actively participated in thought-provoking sessions and had the privilege of hosting global leaders. Together, we explored solutions and address the diverse crises that our world faces under the overarching theme of "Cooperation in a Fragmented World."

Roshni Nadar Malhotra at "The Aquapreneur Revolution" session.

Roshni Nadar Malhotra, Chairperson, HCLTech, joined former U.S. Vice President Al Gore and other distinguished leaders at "Leading the Charge through Earth's New Normal" - a session to discuss transformative solutions and global collaboration to build a more inclusive, prosperous and sustainable future. She was also part of "The Aquapreneur Revolution" - a session to announce the winners of The Global Freshwater Innovation Challenge under HCL Group and UpLink's quest to find innovative solutions for freshwater conservation.

C Vijayakumar, CEO & Managing Director, HCLTech, shared his vision at "Preparing One Billion People for Tomorrow's Economy" - a session to discuss critical interventions needed to skill one billion people by 2030 in a world being rapidly transformed by technology.


HCLTech CEO & Managing Director, C Vijayakumar, joined the deliberations at Davos 2023.

Jill Kouri, Chief Marketing Officer, HCLTech (second from right), joined UN Women's Generation Equality pop-up panel discussions at Davos 2023.

The HCLTech Pavilion at WEF underscored our unwavering commitment to sustainability as it operated entirely on green energy. In line with our emphasis on diversity and gender equality, we hosted the UN Women's Gender Equality Hub at our pavilion. It served as a vibrant space for daily video check-ins, pop-up panel discussions and engaging fireside chats, empowering individuals and fostering meaningful conversations.

Management Discussion and Analysis (MDA)

FY23 Business Highlights

Supercharged Business Performance

HCLTech continues to build momentum, surpassing its performance targets and achieving robust growth across all key metrics during the previous fiscal year.
We saw strong top line and bottom line earnings growth. Our consolidated revenue crossed a significant milestone of ₹100,000 crores in FY23, by recording ₹101,456 crores, an impressive 18.5% increase over FY22. We registered a 10% growth in net income in FY23. A four-year revenue compound annual growth rate (CAGR) of 10.9% reflects our sustained success over time.

Unlocking Potential and Supercharging Outcomes

During the past fiscal year, HCLTech undertook a major brand transformation to capture the company's momentum, energy and acceleration. Central to this process was the definition of a statement of our purpose: **To bring together the best of technology and our people to supercharge progress**. The new brand identity and logo, underpinned by the distinct positioning of **Supercharging Progress**, is our pledge to deliver business outcomes quickly and efficiently, embracing the qualities of pragmatism and resiliency. This promise extends beyond our clients to encompass our people, the communities we serve, our shareholders and the planet as a whole.

Putting Our Purpose into Action – Our Strategic Objectives

The following medium-term strategic objectives show how HCLTech intends to fulfill its purpose of supercharging progress:

- Leadership through **differentiated services and products**
- **Employer of choice** in professional services across all key geographies
- Preferred **Digital partner for Global 2000** enterprises in chosen markets
- Weave **ESG (Environmental, Social and Governance) goals** into business strategy
- Deliver **top quartile TSR** (Total Shareholder Return) over the medium term

We expand on the meaning of each of these objectives and our plans for carrying them out in the sections below.

Growing Services and Product Leadership

Driven by our thematic focus areas of Digital, Engineering, Cloud and AI as well as our industry-leading technology services and software portfolio, we continue to innovate and create sustainable differentiators that accelerate business transformation. **As the only service provider**

HCLTech Pavilion in the new brand colors at the World Economic Forum 2023, in Davos, Switzerland. The pavilion was fully powered by green energy.

rated as a Leader in all six Gartner Magic Quadrant reports related to IT services globally, HCLTech has clearly established itself as a leader in the industry, differentiating and creating a unique advantage for itself in the market. The ever-changing technology landscape continues to provide exciting opportunities for growth as we double down on our commitment to innovation and excellence to meet evolving needs of our clients.

HCLTech is using sports alliances to showcase its commitment to deliver business success and transformative experiences. Our partnership with the New York Giants, Jets and MetLife Stadium will demonstrate how our expertise in digital, engineering and cloud can enhance the fan experience, fostering deeper connections and driving digital transformation both inside and outside the stadium. Our strategic alliance with Scuderia Ferrari shows what we can do to enhance high-performance, precision technology for the world's most technologically advanced sport.

Driving Business Growth through People

Our global presence in 60 countries with over 225,000 employees from 161 nationalities provides a strong foundation for growth. We have a nearshore presence in 20 countries, where nearly four out of five employees are locals. We plan to double our headcount in these areas within the next three years. Recent expansion into new locations like Hungary, Costa Rica and Morocco further infuses our operations with local talent and sets us up for exciting growth potential.

> During the year, we were honored as the Top Employer in 25 countries and were ranked No. 1 in 18 of them.

We received multiple awards for our diversity, equity and inclusion practices. Our commitment to growth, diversity and excellence is reflected in our steadily improving gender diversity, which grew to 29.2% this fiscal year.

Driving Transformational Gains for Clients

HCLTech seeks to be the preferred digital partner for Global 2000 enterprises. Our success is attributed to our unwavering commitment to outstanding client engagement, reflected in our top quartile overall customer satisfaction (CSAT) rating. One of the world's largest software product organizations recognized us with a noteworthy award for a program we led that made its products accessibility-compliant and, more important, capable of providing a delightful experience to all users. We also helped transform a leading U.S.-based home furnishings retailer by partnering with it on a multi-year digital transformation journey. These successful collaborations are typical of the sort of relationships we forge with our clients.

As a top 10 global technology services company, we're excited to continue driving transformational gains and changing the game. We continue to harness the power of technology and our people to supercharge progress for our clients—driving outcomes at speed and scale. We remain committed to driving progress and delivering exceptional value in all our engagements. During FY23, HCLTech added three $100 million+ clients, taking the total number of $100 million+ clients to 19. The top 20 clients contribute 27.8% of the company's revenue.

Promoting Sustainability and Supporting Communities Globally

We embed sustainability into everything we do through a proactive strategy based on three guiding principles: Act, Pact and Impact. The success of this approach is reflected in our achievements such as replenishing 26 times more water than we consume, reducing per capita Scope 1 and 2 greenhouse gas emissions by 70%, achieving an "AA" rating in the MSCI ESG Rating, winning the Cisco Global Digital Sustainability Challenge for the EMEA region and being named one of the best-performing companies in our industry and region in Sustainalytics' 2023 ESG rankings.

HCLTech is committed to supporting communities globally and has developed a proactive corporate social responsibility (CSR) strategy. The HCL Foundation delivers our CSR agenda in India and has made significant strides toward its purpose of driving meaningful social change, positively impacting more than five million lives while harvesting 32 billion liters of water for reuse in communities. We are also supporting different social initiatives worldwide, through our global CSR councils, including extensive support to people displaced by the war in Ukraine, partnerships with Girl Up, Feeding America and One Tree Planted in the U.S., the Prince's Trust in the U.K., Apprentis d'Auteuil in France and the McGrath Foundation in Australia.

Driving Shareholder Value through Growth, Profitability and Efficiency

HCLTech is steadfastly committed to delivering top quartile total shareholder return (TSR) by focusing on sustained organic growth, better profitability, higher return ratios and efficient capital use. We aim to improve our margins to pre-COVID-19 levels over the medium term. We are also dedicated to improving our overall return on invested capital (ROIC). We continue to execute on the well-defined capital allocation of a minimum payout of 75% of net income cumulatively during FY22-FY26. With our decade-long, consistent track record of delivering top quartile TSR among our peer group, we are confident in our ability to continue generating value for our shareholders in the years to come.

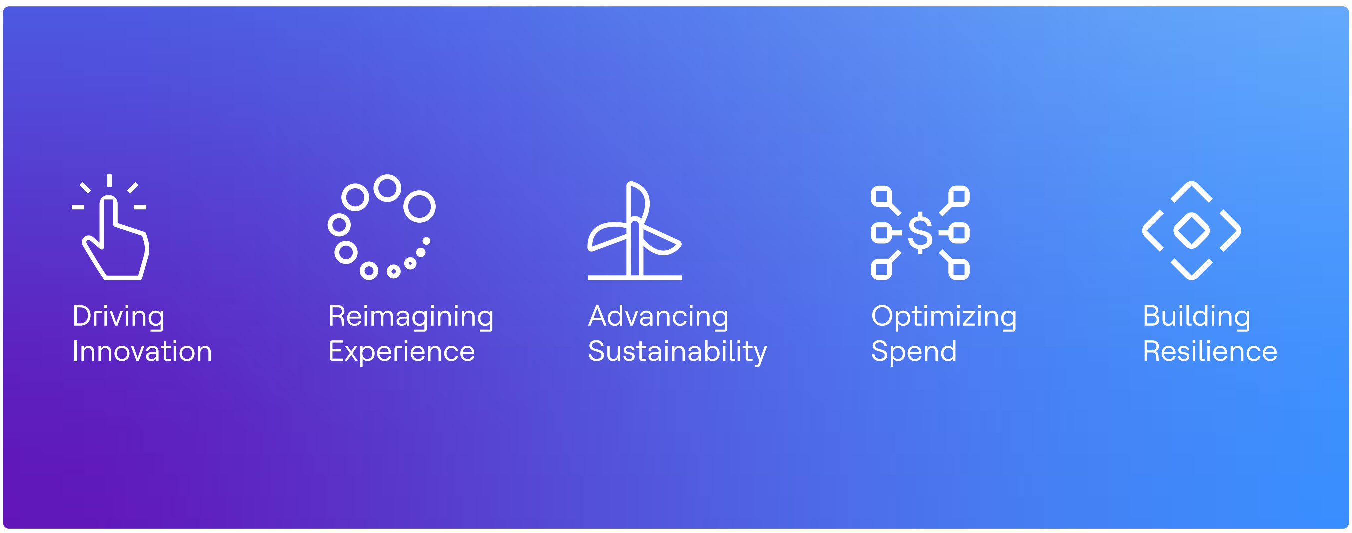
State of the Market

Technology continues to transform the way we live, work and play. Yesterday's desktop computers have given way to pocket-sized smartphone powerhouses. Today, artificial intelligence (AI)-powered solutions automate tasks and create high-quality content, saving businesses time and resources.

Augmented reality (AR) and virtual reality (VR) create immersive experiences tailored to individual needs. Internet of things (IoT) monitors critical equipment in real time, allowing us to fix issues remotely before they become problems. 5G networks deliver faster speeds and ultra-low latency, enabling effective communication and collaboration from anywhere. These technological advancements are transforming industries and creating new opportunities for investors to capitalize on the tech industry's ability to meet changing needs. We are excited about what lies ahead.

Client Imperatives

As clients adapt to the ever-evolving technology landscape, we see five key themes emerging as imperatives for clients as they seek out strategic partners to help them achieve their goals:



Driving Innovation

Enterprises are driving innovation by adopting technologies like artificial intelligence (especially GenAI), machine learning, automation, smart connectivity, blockchain and more. They're exploring new markets and business models to stay ahead of the curve. Capitalizing on the tech industry's growth potential and cutting-edge solutions is crucial to meet ever-changing market needs. Clients need partners with technical expertise and domain-centric solutions that can scale and offer flexibility to achieve their goals.

Reimagining Experience

Businesses are focusing on Total Experience (TX), which includes Customer Experience (CX), Employee Experience (EX) and Operational Experience (OX). Technologies such as GenAI, IoT, 5G and digital age elements like ecosystem and gamification drive efficiency and create seamless experience. Clients value domain and vertical knowledge highly as they search for the right technology partners to help them navigate complexity and make informed decisions.

Advancing Sustainability

Sustainability is more than a buzzword. It is a crucial business consideration that impacts long-term success. Technology is a key enabler of sustainability agendas, from value-chain transformation to reducing carbon footprints. Clients seek technology partners with expertise in execution of sustainability strategies like integrating ESG practices into supply chains and implementing smart energy solutions.

Optimizing Spend

Optimizing spend is a continuous journey toward creating value for all stakeholders. Clients focus on innovative business models, explore cost optimization tools and shift to asset-light models to increase efficiency and reduce costs. They seek technology partners with business model flexibility, technical expertise in cost optimization and end-to-end offerings.

Building Resilience

Building business resilience is a top priority for clients amidst constant disruption and uncertainty today. To achieve this, clients adopt agile methodologies, invest in innovation labs and prioritize technological resilience in areas such as cybersecurity and IT systems. They seek technology partners who can provide expertise and solutions in these areas and form strategic partnerships and alliances to stay relevant and innovative.

Cloud Transformation is a Multi-Year Journey

Embracing cloud as a part of continuous modernization is essential in the digital era. Capturing real value from cloud transformation is a massive market driver and one of the most significant areas of technology spending across all industries. With hybrid and multicloud strategies gaining popularity, the adoption rate of public cloud services is expected to multiply, presenting more opportunities for innovation and growth.

Talent Market Trends

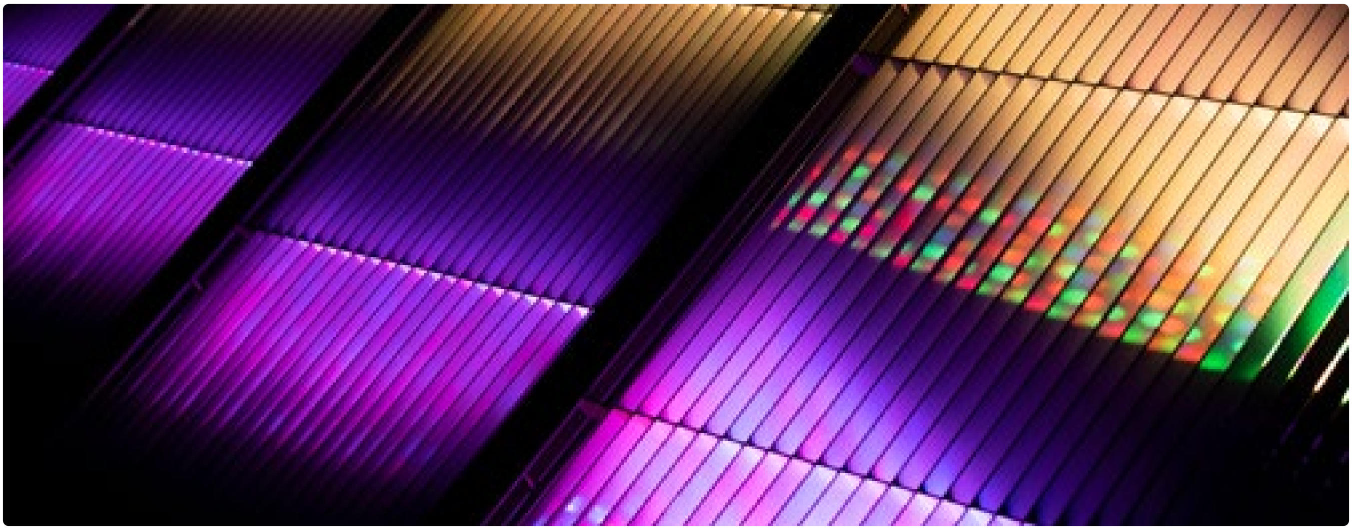
Today, most companies are aggressively innovating with respect to their global people practices. Demand for consulting and industry and technical skills like cybersecurity and digital engineering remains strong. Technology companies recognize that talent retention is critical. Employees want career opportunities on their terms and job experiences that enrich their professional and personal development. HCLTech has strengthened its employee value proposition in line with the market trends and business demands.

Market Opportunities

The economic landscape is stabilizing gradually, with favorable market opportunities for technology on the horizon. While inflation continues to erode consumer purchasing power and drive their spending down, overall enterprise IT spending is expected to remain healthy.

The IT services and software segments are projected to grow at 6.1% and 11.9%, respectively, over the next five years. While cost corrections and softening demand remain concerns–and there may be uncertainties in the near term–the technology industry is well-positioned for long-term growth with many opportunities for clients to innovate and thrive.

The technology market is rapidly evolving and the very definition of technology is expanding. Today, software, services and engineering need to work in tandem to deliver results for clients. This presents exciting opportunities for growth and innovation. Our diverse portfolio and scale position us well to take advantage of these trends and leverage our unique strengths to meet the evolving needs of our clients and supercharge progress for them in this dynamic market.



Our Business

HCLTech is committed to supercharging progress, delivering pioneering services and products that positively impact our clients, employees, communities and the planet. Our aim is to be the digital partner of choice for Global 2000 enterprises, while attracting top talent and delivering exceptional value. We're deeply committed to inclusive growth and sustainability in the communities where we operate. In this section, we present an overview of our expertise, business segments, ecosystem approach and strategic partnerships that enable us to provide end-to-end solutions for our clients.

With CloudSMART, HCLTech is reimagining the way enterprises leverage cloud.

Our Areas of Expertise

HCLTech leverages its expertise to provide solutions that address clients' traditional, transformational and future needs. Our **Digital** offerings deliver end-to-end solutions that boost business resilience, enhance operational efficiency and deepen client engagement. With HCLTech's **Engineering and R&D Services** (ERS), clients can improve time to profit, speed up product development and maximize return on innovation. Our **CloudSMART** services and offerings optimize cloud usage to accelerate innovation and agility at scale. HCLTech's AI expertise, especially **GenAI** capabilities, evolving in line with emerging market trends, is starting to enable enterprises to unleash another round of significant benefits, be it in reimagining client experience or enhancing employee productivity. Our **HCLSoftware** division develops, markets and supports software for digital transformation, data, analytics and insights, AI and automation, and enterprise security.

Ecosystem, Alliances and Partnerships

Today's business world is ecosystem-driven. Our ecosystem orchestrator approach has enabled us to be ahead of the curve and help our clients accelerate time to market, reduce total cost of ownership, minimize risk and supercharge progress. By leveraging our expertise and access to top clients, we help our ecosystem partners expand their market reach and drive business growth, contributing to the growth and sustainability of the industry as a whole.

Our **Strategic Alliance Ecosystem** partners with leading technology firms to create new, differentiated intellectual properties and solutions that accelerate our clients' digital, engineering and cloud journeys. Our **Industry Ecosystem** gives us access to industry forums and foundations to stay updated on the latest trends and challenges and to share our thought leadership. Our **Startup Ecosystem** leverages the creativity and innovation of startups to generate products and offerings that benefit our clients.

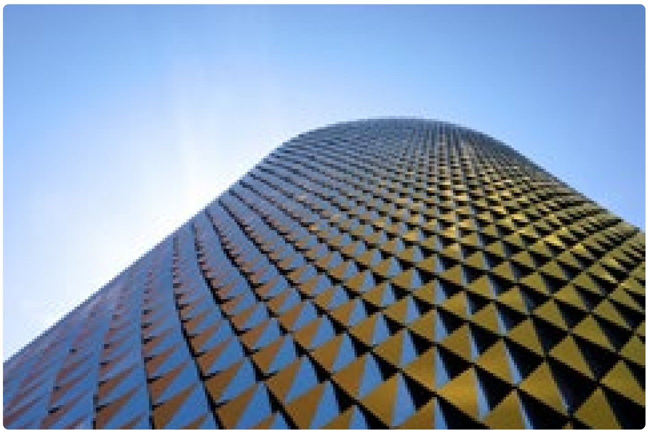
We partner with leading technology providers like Microsoft, Google, AWS, SAP, DELL, IBM and IBM Redhat, Cisco, Salesforce, Adobe, Intel and others to deliver innovative solutions to our clients. Together with our partners, in FY23 we launched new initiatives, co-engineered and co-developed solutions and created new training programs for our associates, resulting in multiple deal wins, new client offerings and analyst recognitions.

CloudSMART: Supercharging Cloud Transformation

HCLTech's CloudSMART approach helps clients navigate their cloud transformation journey with clarity and confidence. CloudSMART leverages ecosystem partnerships and cutting-edge technology solutions to provide independent consulting that enables businesses to create long-term plans to drive transformation at an accelerated pace and scale. With its suite of offerings and services, CloudSMART makes it easy for clients to pivot to the cloud, leveraging the latest validated architectures, standardized services and factory-based execution.

GenAI: Catalyzing Transformation

GenAI is poised to disrupt businesses with the potential to positively impact various domains including but not limited to IT services, software, silicon IC design and manufacturing, and IT operations. It centers around a deep collaboration between humans and machine algorithms. With a philosophy of creating, infusing, embedding and integrating AI from silicon to infrastructure, apps, data and business processes, HCLTech, with its engineering heritage, has been involved in co-creating AI technology stacks for the past two decades. At HCLTech, we are accelerating our work through a multi-pronged approach to unlock the potential of GenAI for our clients to derive utmost benefit. We are infusing GenAI in our solutions, providing services, working with ecosystem partners to drive innovation and offerings, and co-innovating with our clients. We are also in the early stages of evaluating and implementing GenAI in our own business operations to improve employee experience and drive efficiency.



Business Segments

HCLTech is structured as three business segments—IT and Business Services (ITBS), Engineering and R&D Services (ERS) and Products and Platforms (HCLSoftware)—that collectively address its clients' traditional, transformational and future needs. Overall, our services and product business grew in constant currency YoY at 15.8% and 1.8% (excluding divested business), respectively, in FY23.

IT and Business Services

The ITBS segment enables global enterprises to drive business transformation in an agile and sustainable manner, enhancing customer and employee experiences. It is the most significant contributor to HCLTech's overall revenue mix. In FY23, we posted strong revenue growth of 15.6% YoY in constant currency and an EBIT margin of 16.6% driven by solid growth across all service lines. ITBS comprises:

- Digital Business Services
- Digital Foundation Services
- Digital Process Operations
- EdTech Business Services

Digital Business Services

HCLTech's Digital Business Services (DBS) enables organizations to adopt new technology architectures, challenge existing ways of working and use data and analytics to achieve operational excellence and fundamental business transformation.

Our industry-specific technology solutions help clients transform their value chains through three focus areas:

- **Consulting** services focus on delivering experience and technology strategy and design to create innovative solutions that address the needs of our clients. We also offer business process re-design and optimization, empowering clients to reimagine their enterprise value chains. We facilitate effective change management within the enterprise through our agile delivery transformation approach, which includes operating model change and organizational flexibility.
- **Application modernization** services help customers redesign and modernize their applications and platforms via composable architectures, microservice services and cloud-based application consumption.
- **Data and analytics** services facilitate the modernization and creation of data platforms and the building of scalable data architecture that feature robust data governance and the ability to extract actionable insights through machine learning and artificial intelligence.

HCLTech's Digital Business Services achieved strong growth in FY23. This year, our ESG-related offerings gained wide acceptance. For example, we launched an industry-leading ESG platform for a large F100 aerospace company and a smart energy solution for a European client. In addition, we onboarded 10 new partners and strengthened relationships with our existing partners including Snowflake, Adobe, Tibco, Alteryx and Salesforce.

Digital Foundation Services

HCLTech's Digital Foundation Services (DFS) forms the backbone of digital transformation journeys, offering core infrastructure services and next-generation digital solutions. DFS is the largest segment for IT services spending globally.

Our proven ability to execute at scale is why we are a trusted advisor and partner for 40% of G100 companies, helping them manage and transform their large and complex environments.

DFS offerings cover five areas:

- **Digital Workplace** services help clients build a personalized, adaptive and resilient workplace for their employees.
- **NextGen Networks** services help clients transform their enterprise networks into lean, agile and experience-centric networks.
- **Hybrid and Multicloud** services, from mainframe services to cloud-native deployment, help clients modernize their infrastructure.
- **Cybersecurity & Governance, Risk & Compliance (GRC)** services help clients identify, understand and manage security risks and compliance across the entire security life cycle.
- **Unified Service Management & Intelligent Operations** services deliver efficiency and greater supplier management synergy, facilitating the assessment of the right service integration and management model for customers.

Digital Process Operations

Digital Process Operations (DPO) helps clients adapt to the digital age by combining our domain expertise, engineering capabilities and software stack. Our technology-led digital operations model reimagines operations across three digital stacks: **digital workforce, digital technology and digital process**. DPO's focus on transformational deals allowed us to serve over 100 clients, including many Global 2000 (G2000) and equivalent organizations. We are expanding our automation, AI and machine learning capabilities to continue providing comprehensive solutions to our clients.

EdTech Business Services

EdTech Business Services is a new addition to the ITBS segment, focusing on providing enterprise solutions for talent acquisition and mobility. We help clients set up technology and talent academies. Our Career Shaper Learning and Assessment Platforms offer immersive labs for coding, data science and engineering as well as Workware labs for cloud and cybersecurity simulations. We also provide Capstones—domain-infused real scenario projects—for experiential learning, and our Futurum™ platform for universities powers tech labs for future engineering and technology learning.

In its first year, EdTech Business Services garnered significant interest from many G2000 and equivalent companies and established strong partnerships with key players in diverse industries. These include a German multinational engineering and technology company, a

HCLTech had a massive presence at the Mobile World Congress 2023 in Barcelona, Spain, where it showcased cutting-edge solutions for 5G and beyond.

leading U.S.-based gaming corporation, a Dutch information services company operating in over 150 countries and a large global staffing organization.

Overall enterprise IT spending is expected to remain healthy, which bodes well for each part of ITBS. As digital transformation remains paramount for enterprises, we are well-positioned to capture significant market share and continue to deliver strong results for our clients and shareholders. Digital Business services' outlook is positive as we continue to see strong growth in value chain transformation, modernization and cost efficiencies through consolidation and cloud solutions. We anticipate strong demand for Digital Foundation Services, particularly in cloud, employee experience and cybersecurity. EdTech Business Services segment is well-positioned to benefit from the increasing demand for job-ready professionals who can adapt to new technologies in the workplace.

Engineering and R&D Services (ERS)

Our Engineering and R&D Services (ERS) spans the entire spectrum of digital engineering solutions across new product development, network engineering including network-as-a-service, collaboration services, software product engineering, data engineering, connected experiences and platform-as-a-service. We provide comprehensive solutions to help our clients develop digital, sustainable and next-generation products and platforms. HCLTech's Engineering and R&D Services (ERS) segment delivered a strong performance in FY23, with revenue growth of 16.8% YoY in constant currency and an EBIT margin of 20.2%.

HCLTech ERS portfolio includes:

- **Product engineering** services bring the engineering rigor to build scalable, complex and new products and systems, spanning the whole gamut of product life cycle management from conceptualization to design and development, support and sustenance and governance of processes such as release management and test automation.
- **Digital engineering** services help clients reimagine their businesses for the digital era, covering all areas of digital transformation, including cloud and data engineering, digital platforms, ecommerce, 5G services, AI and silicon platform services, spec-to-part services and more.
- **Operational technologies** play a crucial role in ensuring manufacturing resilience and enabling faster and more efficient responses to supply chain issues and changing market demands by modernizing infrastructure and processes.

We have been recognized as the No. 1 player in Everest Group's 2022 PEAK Matrix® Provider of the Year Awards for Engineering Services. We are the only service provider ranked amongs the top two in both Digital and Overall Engineering Services in Zinnov Zones Engineering R&D Services 2022 study.

HCLTech's ERS segment won several large deals for product, platform and end-to-end engineering services, and demand was high for digital engineering services. Notable deals include extending the engagement with a U.S.-based Fortune 100 technology services company for product engineering services, being chosen as a strategic partner for platform engineering services by a U.K.-based market leader and being selected by a U.S.-based multinational provider of workforce management and human resource management services as its strategic partner.

The demand for engineering services continues to be moderate in the near term. Digital engineering themes such as platform engineering, data engineering, 5G and connectivity, industry-next and sustainability are expected to continue attracting enterprise investments.

As geopolitical tensions, supply chain constraints and talent shortages continue to impact global enterprises, many are reevaluating their product design, manufacturing and servicing strategies. Investments in new technologies remain important but the focus has shifted toward scaling digital engineering programs and fully realizing their potential to drive top line growth across functional areas.

HCLSoftware

HCLSoftware is a leading provider of innovative technology and domain-specific solutions within niche segments that help drive customer efficiency and innovation. HCLSoftware achieved remarkable success in FY23, posting a revenue growth of 1.8% (excluding divested business) in constant currency and maintaining a healthy EBIT margin of 25.1% YoY. HCLSoftware's impressive performance is evident from its 6,800+ global customers, which include 65+ Fortune 100, more than 220 Fortune 500 companies and 235+ Global 500 enterprises.

HCLSoftware offers 75+ software products, including well-known brands like HCL BigFix, HCL Domino, HCL Unica and HCL Commerce, and works closely with 770+ business partners to create impact across enterprises in 130+ countries. HCLSoftware addresses business opportunities across four key markets, which are growing at a double-digit CAGR with an addressable market of approximately $100 billion.

1. **Digital Transformation:** HCLSoftware provides technology solutions that transform experiences for all stakeholders, supporting more than $210 billion of online business per annum and delivering marketing messages to one-third of the world's population. HCL Commerce, HCL Unica and HCL Volt MX are some solutions for this purpose.

2. **Data, Analytics and Insights:** HCLSoftware offers a trusted, flexible, easy-to-use data platform for better business management and analysis. The company's Actian Avalanche, Actian Ingres and Actian Zen are key offerings that provide 5X faster data warehouse on cloud and operate at a 50% lower TCO (total cost of ownership) than its nearest competitor.

3. **AI and Intelligent Automation** – HCLSoftware helps clients transform and simplify IT and business operations and achieve autonomous IT operations using offerings like DRYiCE, Secure DevOps and Automation Power Suite. This portfolio supports over one million servers on AIOps and over two million monthly conversational AI interactions across its customer base.

4. **Enterprise Security** – HCLSoftware's portfolio includes HCL BigFix and HCL AppScan, which protect the software that enterprises build or buy by securing from application to endpoint. The portfolio secures over 100 million endpoints daily, providing customers with peace of mind that their assets are secure.

Moving forward, we will continue to evolve our mix and offerings in each of these segments to better align with evolving spending patterns and the rapid growth of the digital market. Our commitment to innovation and excellence remains steadfast as we confidently pursue our purpose of driving positive change and creating a better future.

HCLSoftware's suite of offerings is fulfilling the transformative needs of our clients around the world.

Business Strategy

HCLTech leaders came together for the annual planning meet at Vienna.

Strategy, at its heart, helps an organization make choices and, more importantly, trade-offs. An effective strategy aligns stakeholders–clients, partners, employees, society and shareholders–to win together. This shared focus creates immense leverage for innovation and growth, because a countless number of decisions that happen every day across all parts of a business–product, customers, technology capabilities and more–reinforce one another. It is critical to have a clearly communicated strategy to make the right choices. Over four decades, HCLTech has built an organizational culture of empowerment and innovation. To unleash the creative potential of our people, our strategic definitions are not fancy, rather simple and clear.

> Our simple, clear strategy unlocks the passion and spark in each employee, promoting empowerment, entrepreneurial leadership and bold actions that lead to successful execution and strong performance.

We set forth a small set of priorities that are vital to our success and empower our people to use their creative spark to execute them passionately. Organizational leaders have that responsibility to translate strategy into guidelines that are simple and flexible enough to execute. Aligned to this approach we have identified five medium-term strategic objectives, mentioned earlier in the report.

We support the achievement of these strategic objectives using the following cornerstones:

Leverage HCLTech's Established Culture of Empowerment and Innovation

Our culture is both optimistic and realistic, which helps us maintain balance between ambitious goals and impeccable execution. Our simple, clear strategy unlocks the passion and spark in each employee, promoting empowerment, entrepreneurial leadership and bold actions that lead to successful execution and strong performance. We also encourage our employees to innovate and suggest ideas to seize novel opportunities, mitigate unexpected risks and adapt to local conditions, a process we call Ideapreneurship. Our culture of execution and innovation guided by strategy is our recipe for supercharged progress.

Talent is at the Center of Every Decision

As we serve some of the world's best-known businesses, we enable our people at all levels to enhance their skills, gain a distinct advantage and supercharge their potential. We know that helping our clients stay on top starts by putting our people first. Our business model, operating structures, hiring and talent strategy are aligned to the personal and professional aspirations of our people. Our employee value proposition, 'Find your Spark,' is built on four tenets:

- Embracing next-gen work environment and culture
- Creating enriching job experiences
- Delivering employment our people can trust in
- Elevating employee experience: inspiring DEI, driving CSR and championing ESG engagement

Enablement to Drive Execution

Strategic objectives must be easy to communicate and achievable in discrete modules. In support of these goals, HCLTech breaks down strategic objectives into specific and multiple strategic initiatives that chart a clear path forward to success. To enable these strategic initiatives, there are a multitude of enablement frameworks in place, be it for knowledge management, collaboration or change management. During the financial year, we established a business enablement team to ensure cross-functional collaboration and issue resolution.

Beyond Benchmarking

Benchmarking is not a goal in itself but a means to achieving a strategic objective. HCLTech respects its competitors and best-in-class companies globally. Through benchmarking, we seek to discover best practices and achievements that are worth adopting. This is done on various aspects of our business with key priorities like stakeholder satisfaction, analyst recognitions, ecosystem competencies, financial performance and return metrics. We avoid relying on benchmarking for competitive convergence or to celebrate our achievements but to push us further to achieve our medium-term strategic objectives.

Embrace Next Generation Opportunities While Gaining from Current Generation

In order to spot disruptions early, be prepared for them and respond effectively, HCLTech has a structured approach of scanning thousands of market signals, identifying strategic risks and converting them into opportunities. This approach has helped us in being a pioneer in the remote infrastructure services industry, being the first services company to create a scalable and profitable products business and in building our breakthrough early career TechBee program for hiring students right after high school. Today, we are looking at opportunities emerging out of GenAI, sustainability and global supply chain realignment for future growth. While constantly looking out for such new signals in the market, we also look for profitable long-term growth opportunities in our existing businesses. This has been visible in continuing strong traction for our traditional services, while achieving industry-leading growth in digital propositions.

Align the Larger Ecosystem to Strategic Objectives

In addition to aligning everyone internally and getting the message out to managers and employees, we are focused on communicating our strategic objectives to key external stakeholders, including investors, clients, partners, potential employees and the community. This approach helps align our ecosystem of key external stakeholders by communicating precisely where we want to go. It also attracts clients, shareholders, talented people, organizations and communities willing to join us on our long-term journey.

Peter Drucker's epithet "culture eats strategy for breakfast" is often mentioned to reinforce the importance of culture. At HCLTech, through the intelligent integration of both, we are truly able to supercharge progress and deliver impeccable results.


HCLTech employees at Sacramento, California office collaborating on a project.

Medium-Term Strategic Objectives

- Leadership through **differentiated services and products**
- **Employer of Choice** in professional services across all key geographies
- Preferred **Digital Partner for Global 2000** enterprises in chosen markets
- Weave **ESG goals** into business strategy
- Deliver **top quartile TSR** over the medium term

Strategic Objective 1: Leadership through **Differentiated Services and Products**

A successful technology business must create relevant and differentiated services and products to address enterprise client needs. The key ingredients are talent and innovation.

Companies that do not prioritize innovation or fail to build relevant portfolios aligned to client needs, usually plunge into oblivion.

When HCLTech produces outstanding services and products, the best people are attracted, for they know they will be involved in innovating with the latest technology to create services and products that make a positive impact. We feed this cycle through a culture of innovation based on ideas like Ideapreneurship.

HCLTech's service and product leadership helps create applications and systems that address key needs in society, such as sustainability, which can have a huge impact in making the world a better place. Making such a difference attracts both talent and clients.

In this section, we explain how HCLTech is accomplishing the strategic objective to expand its leadership through differentiated services and products.

A Global Leader in Services and Products

HCLTech embodies the DNA of the HCL Group, which was founded in 1976 and has been a pioneer in technology innovation in India. HCLTech's unique blend of capabilities and its success in building resilient enterprises firmly positions us as one of the most reliable partners in the technology services sector.

HCLTech has been a forerunner in ERS and infrastructure services. Over the last few years, we have also ascended to leadership positions in the digital, cloud and software domains. Leading industry analyst firms including Gartner, Forrester, IDC, Everest, Avasant, HFS, Zinnov and others recognize our continuous strategic evolution and deep-rooted strength in technology. Year-over-year, they have rated HCLTech as a leader in a range of specialized capability areas across service lines and industries. For example:

- HCLTech is the only service provider to be rated as a Leader in all six Gartner Magic Quadrant reports related to IT services.
- HCLTech is the No. 1 player in Engineering and R&D Services and the only service provider among the top two in traditional and digital engineering, recognized by Zinnov.
- HCLTech is a well-respected cloud migration and managed services partner. HCLTech is ranked as a Leader in HFS Horizons Cloud Native Transformation Services, 2022; a Leader in 2022 Gartner® Magic Quadrant™ for Public Cloud IT Transformation Services, Worldwide.
- HCLTech has strong momentum in digital services domains such as data management and analytics, app modernization and cloud transformation. HCLTech is positioned as a Leader in the Gartner® Magic Quadrant™ for Custom Software Development Services, Worldwide and a Leader in Avasant Digital CX Services 2022-23.
- HCLTech started India's first large-scale enterprise software business, which was profitable from day one.

HCL Commerce has been named as a Customer's Choice by Gartner in the digital commerce category. IDC MarketScape has recognized HCL BigFix as Leader across multiple segments of UEM (Unified Endpoint Management). HCLSoftware was named Challenger in the 2023 Gartner Magic Quadrant evaluation for Digital Experience Platform (DXP) and received the highest scores in the business to employee (BtoE) category of Critical Capabilities Report.

Sustaining Services and Product Leadership

The ability to differentiate through continuous innovation is the best way to create sustainable competitive advantage for technology firms. To sustain and protect our services and product leadership, we always seek to push the envelope by building new solutions and centers of excellence (CoEs), refreshing our software offerings, acquiring niche capabilities and investing in industry solutions, labs and partnerships. Here are the specific tactics we are employing to expand our leadership position:

Positioning cloud at the core of our service offerings: HCLTech is expanding relationships with hyperscalers and other key cloud technology providers to be the leading hybrid cloud consultant and managed service provider. To support medium-term growth, HCLTech is looking beyond cloud migration to create industry solutions with vertically tailored capabilities. We have a growing portfolio of cloud services, underpinned by intelligent automation and a comprehensive partner ecosystem. These capabilities cover the entire cloud spectrum – from platform engineering to cloud native deployment to mainframe services - and can be adapted to address our clients' specific requirements, maximize business value and facilitate a superior digital experience.

GenAI to drive next wave of growth: HCLTech understands the pivotal role emerging technologies like GenAI will play in unlocking value for its clients. We have been an early adopter of GenAI (for example, Teams Premium, Co-Pilot, etc.) to augment productivity of our developers and enhance our platforms and solutions. HCLTech sees GenAI as a promising and evolving field that has unlocked new services opportunities across four key domains for its clients:

- **Prompt Engineering:** Testing and refining prompts to optimize them for specific tasks
- **Data Engineering:** Creation and capture of GenAI-driven engineering insights
- **Integration and Orchestration of Intelligent Apps:** Orchestration across NLP, GenAI systems, knowledge systems for text, image, video and audio
- **Responsible AI:** An AI system that enables privacy and security besides other attributes like inclusion, fairness, accountability, reliability etc.

Moreover, HCLTech is closely working with all the major hyperscalers on their GenAI stack supporting various efforts through its GenAI Labs. HCLTech's GenAI Labs support teams in building solutions and services across various roles and domains including system engineering, process operations and support.

Expanding and evolving the partner ecosystem to enable growth: HCLTech accelerates creation of complete solutions for its customers by adding capabilities and ecosystem partners. Our partner ecosystem is carefully curated and tailored to meet the needs of specific industries. We also partner with the ecosystem developed through venture capital funds and private equity (PE) firms to ensure we connect with the latest technological developments as well as help their portfolio companies to scale up.

To sustain and protect our services and product leadership, we always seek to push the envelope by building new solutions and centers of excellence (CoEs), refreshing our software offerings, acquiring niche capabilities and investing in industry solutions, labs and partnerships.

Expanding services leadership: HCLTech's services leadership is rooted in how we help clients in driving outcomes at speed and scale by applying our expertise, experience and innovation ecosystem. While retaining our market share in traditional services, HCLTech continues to focus on growth opportunities in digital and next-gen services by launching new offerings and growing them organically and inorganically to effectively cater to client needs better. Along with investments in talent, innovation labs, new delivery location and world-class partnerships, we bring together the expertise and client-centric mindset to build capabilities and offerings to help clients reach their goals. HCLTech makes acquisitions to enhance its offerings. For example, Starschema was acquired to enhance its digital engineering capability and strengthen our presence in Central and Eastern Europe.

Developing vertical capabilities to address client needs: Service providers have much more credibility and success when they have deep domain knowledge on a client's industry. Such vertical expertise helps HCLTech identify, structure and implement new strategies for optimized digital value chains and better customer experiences. HCLTech's vertical knowledge is amplified by deep skills in experience design, industry capability definition, agile delivery transformation and organizational agility. HCLTech makes acquisitions when needed to enhance its vertical capabilities.

One such acquisition was Confinale AG, a digital banking and wealth management consulting specialist and an Avaloq Premium Implementation Partner, based in Zurich, Switzerland. Building upon HCLTech's expanded global partnership with Avaloq and leveraging this acquisition, Avaloq Business Unit (ABU) has been set up, delivering an expanded end–to–end portfolio, ranging from Avaloq platform advisory to implementation and post–implementation services, which strengthens HCLTech's position as a global leader in digital wealth and asset management.

Building niche product leadership: HCLSoftware is building a niche leadership identity for its software products. Vertically-focused technology investments and industry thought leadership have led to widespread adoption of its products and solutions within niche segments. A central product innovation capability supports all portfolios–including digital transformation, data, analytics and insights, AI and intelligent automation, and enterprise security–and seeks to maintain and expand HCLTech's niche leadership. Some of the ways by which HCLSoftware is leveraging GenAI capabilities are:

- Driving through usage of GenAI transformation of human-led and automation-assisted approach to automation-led and human-assisted approach across workload automation, operational intelligence, self-healing systems and self-service workflows.
- In partnership with hyperscalers, HCLSoftware is using GenAI and creating products that use pair programmer for code generation, test case generation to drive product velocity.
- HCLSoftware is also embedding its products like HCL PromptO, which provides automated prompt engineering, model chaining, code generation, LLMs optimization and document summarization, into its portfolio across digital transformation, AI and intelligent cloud and data, analytics and insights, including the four cloud vision (Business Cloud, AppDev Cloud, Automation Cloud and Data Cloud) and business strategy.

Perfecting service delivery: Great ideas and goals only become valuable to clients if they are brought to life through execution. HCLTech's mastery of technology is leveraged by its robust service delivery framework and effective talent management that have been developed and honed over many years and are embedded in our culture. HCLTech is able to execute projects in its clients' home countries as well as nearshore locations like Mexico and New Vistas locations in smaller cities in India, the U.S. and Europe. This broad menu of choices for how to design delivery of projects spread across many geographics speeds execution, stems attrition and brings more stability to operations and more value to clients.

Identifying and investing in next-gen offerings: HCLTech invests heavily in research using a variety of labs, frameworks, platforms and technologies and then seeks to capture that knowledge so that it can be reused in multiple engagements. We invest in creating labs, industry use cases, minimal viable product and proof of value experiments for customers using disruptive technologies such as AI/ML-enabled automation, quantum, 5G, confidential computing, sovereign cloud and open source.

Our Enterprise Technology Office (ETO) tracks, identifies and analyzes the emerging technologies and cutting-edge innovations that have potential to transform enterprises. The goal is to ensure HCLTech never falls prey to the "innovator's dilemma" by ignoring the disruptive impact of new technologies that can have a surprisingly large impact. By analyzing these trends and others, we can identify when emerging technology becomes relevant and actionable to help build differentiated products and services for our clients. ETO's current research focus includes AI, cloud, quantum computing, low code/no code, immersive experiences, 5G, humanoid robot collaboration and blockchain.

Cultivating innovation through Ideapreneurship: HCLTech is a globally recognized leader in the industry, but we've never forgotten our startup mindset. We always approach our work with an idea-first attitude, because each one of our accomplishments, no matter how big or small, can be traced back to a single spark of an idea. It's that spark, or the inner drive, that sets our people apart from our competitors. It enables us to pull off game-changing feats and better our world in the process. We help our clients stay on top by putting our people first.

We have many enabling platforms to create and sustain this people-centric culture. The practice of Ideapreneurship is one of the main pillars of our internal idea-driven mindset. Ideapreneurship has become a self-sustaining, self-inspired, innovation engine that drives HCLTech forward and prepares us as an organization of the future. Ideapreneurship is enabled by the Value Creation Portal, a grassroots innovation platform that brings together and organizes the diverse perspectives and experiences of our team. Over 28,000 unique employees leveraged Value Creation Portal in FY23, generating, reviewing and approving 15,000+ ideas and implementing 7,600+ ideas that delivered customer signed-off value worth $1.4 billion.

As part of our dedication to innovation, we work internally to build and maintain organizational muscle, coordinate large ecosystems, expand vertical domain knowledge, embrace new technology, acquire companies and aggressively identify threats and opportunities related to our services and products.

Awards for Vertical Industry Solutions

Awarded Partner of The Year for Life Sciences and Healthcare
by Microsoft for our focus on industry solutions and momentum shown in joint pursuits. We are also a strategic partner of Google in Life Sciences and Healthcare.

Named a Leader and Star Performer in Everest Group's
Application and Digital Services (ADS) in Property & Casualty (P&C) Insurance PEAK Matrix® Assessment 2023.

Positioned as a Leader
in ISG Digital Banking Services - Technology Transformational Services for Digital Banking in 2022.

Recognized as a Leader
in HFS Top Capital Markets Services Providers for FY22.

Positioned as a Leader
in ISG Provider Lens for Media and Communication Services – Communication Next-gen IT Services – U.S., 2022.

Positioned as Visionaries
in Gartner MQ for IT Services for Communications Service Providers, 2022.

Rated as a Leader
in IDC MarketScape for Manufacturing Intelligence Transformation, Consulting, Worldwide, 2022 Vendor Assessment.

Named as a Leader
in Avasant's Manufacturing Digital Services 2022-2023 RadarView™.

Received Frost & Sullivan's
2022 Enabling Technology Leadership Award in the Disruptive Aerospace Solutions, Global category.

Recognized in ISG
Provider Lens™ – Oil and Gas Industry – Services and Solutions 2022 - Leader in North America in Enterprise Asset Management, Next-Gen IT/OT Services, Data Management and Cloud Computing.

Recognized as Star Performer and Leader
in Healthcare Provider and Payer Digital Services PEAK Matrix Assessments 2022 by Everest.


Our employees at the Portugal office during a design thinking session.

Strategic Objective 2:
Employer of Choice in Professional Services Across all Key Geographies

Talent will always be the key differentiator for companies in the technology industry. Organizations with an effective, long-term strategy for attracting highly skilled and motivated employees and for training them in the skills needed to make progress will be the winners. Talent strategy is especially crucial for HCLTech because its global enterprise clients expect the best talent available to meet their challenges. Our multi-pronged talent strategy has proven to be quite successful and will ensure we maintain our position as an employer of choice around the world and as a leader in technology services and products.

HCLTech's Talent Today

HCLTech's current headcount reflects the success of the company's talent strategy. As of March 31, 2023, we had 225,944 employees across 60 countries. Total number of employees rose by more than 17,067 in FY23 and IT services voluntary attrition rate during that period fell from 21.9% to 19.5%. We have doubled nearshore headcount in the last three years and expanded our New Vistas locations.

HCLTech takes a hands-on approach to recruiting, seeking to directly engage and hire employees rather than use placement agencies. More than 75% of our hiring today is direct, which keeps us connected with the talent pool.

Global Recognition as an Employer of Choice

In FY23, various experts and analysts around the world recognized HCLTech as an employer of choice in professional services:

- Recognized as Top Employer in 25 countries by Top Employers Institute and rated as No.1 employer in 18 countries
- Included in Forbes list of World's Best Employers (2022) in Professional Services category
- Included in Seramount's Global Inclusion Index in 14 countries. Placement on the index recognizes HCLTech's efforts and commitment to the four focus areas of the Index: Transparency and Demographics, Best Practices in Recruitment, Retention and Advancement and Corporate Culture and Accountability
- Included in 2023 Bloomberg Gender-Equality Index for the third consecutive year with an above average score. This reference index measures gender equality across five pillars: Leadership and Talent Pipeline, Equal Pay and Gender Pay Parity, Inclusive Culture, Anti-Sexual Harassment Policies and External Brand

How Our Talent Strategy Works in Practice

Attracting and retaining talent as well as reskilling and upskilling employees in line with changing technology landscape are critical to an organization's success. HCLTech's successful process for these employee goals is a major differentiator in the talent market. Our people practices are the outcome of years of work that resulted in key insights on how to attract and develop talent. Here's a quick tour of our priorities.

Focusing on Gen Z Hiring: A Requirement to be the Best

Our programs to attract and recruit Gen Z talent are a crucial part of our strategy and have given us a headstart as a leading employer for this generation. Gen Z employees represent 24% of our staff today and we expect this number to grow to 40% by FY25. They are attracted to companies committed to pursuing excellence and making positive contributions to the society at the same time. We have attracted Gen Z talent by focusing on our mission to help communities, increasing entry level hiring, improving on our DEI and ESG performance, creating a culture of trust and empowerment, offering a virtual-first, hybrid operating model, democratizing training and personalizing career paths. Such efforts enable HCLTech to supercharge the careers of Gen Z candidates.

Developing Entry Level Talent

HCLTech has doubled entry level hiring in the last three fiscal years. This has allowed us to engage with Gen Z candidates earlier than our peers. As part of this, our TechBee program seeks to recruit highly talented Class 12 graduates. Our career development framework ensures that entry level hires are adequately trained, provided opportunities to work on new challenges and recognized for their contributions, while also enabling them to pursue higher education.

Managing Careers of Rebadged Employees

Managing careers of rebadged employees, who are hired indirectly through client projects, is a crucial element to be addressed. We have a mature process for seamless onboarding of such employees to HCLTech. We have integrated more than 40,000 people across 50 countries so far.

Driving New Vistas and Nearshore Programs

Our New Vistas and nearshore programs are talent access models that allow us to leverage talent pools in India and new markets across the globe beyond the traditional centers. These programs bolster our track record of employing a local workforce and increasing diversity. New Vistas locations in India have expanded to support delivery operations of all our service lines and have higher talent retention rates. Employees from these centers account for 13% of our India headcount. We have nearshore operations with over 20,000 employees in 20 countries, including Romania, Sri Lanka, Philippines, Canada, Guatemala, Poland, Mexico and Brazil. We expanded our nearshore operations to Costa Rica, Morocco and Hungary in FY23.

Today, we operate from tier 2 cities like Lucknow, Madurai, Nagpur and Vijayawada, and intend to expand to more tier 2 and tier 3 cities in India. The workforce at these locations, which have much higher rates of talent retention, represents 13% of our India headcount. We have nearshore operations with over 20,000 employees in 18 countries including Romania, Sri Lanka, Philippines, Canada, Guatemala, Poland, Mexico and Brazil, and in Costa Rica, Morocco and Hungary, where we scaled operation in FY23.

At HCLTech, we are supercharging careers of our people by helping them find their spark.

Adopting a Virtual-first, Hybrid Operating Model

Our virtual-first, hybrid operating model allows our employees to work remotely when needed. This is a people-centric approach that offers increased flexibility, opportunity, access and empowerment to our staff. We believe this model enhances our managers' ability to drive productivity and performance and improve the employee experience. Our technical expertise in the digital workplace has enabled us to embrace hybrid workplaces effectively and efficiently.

Training the Talent

HCLTech's innovative approaches to training, reskilling and upskilling ensure its employees are future ready. In FY23, we trained nearly 70,266 employees in digital skills and 151,882 in core skills. Nearly 24,000 employees have benefited from behavioral and leadership skill development courses. Overall person-hours invested during this year is 9.4 million.

> Democratized training allows employees to self-enroll to gamified courses to acquire niche skills. As a result, internal fulfillment has increased and more than 15% of the demand in skills predicted to be in high demand are now fulfilled by upskilling.

HCLTech supercharges the careers of its people by offering abundant opportunities for training so that everyone has a chance to find their spark and grow. Democratized training allows employees to self-enroll to gamified courses to acquire niche skills. As a result, internal fulfillment has increased and more than 15% of the demand in skills predicted to be in high demand are now fulfilled by upskilling. Key areas for skill development include VR/AR/MR/metaverse, Web 3, AI, blockchain, edge computing, silicon as a platform and 5G/6G applications. Talent development centers of excellence have received a variety of awards and other recognition:

- Talent Development CoE won a gold award in Brandon Hall Group Excellence Award in the Best Advance in Creating a Learning Strategy Category 2022.
- "Leaders in Action" Certification Program won a bronze award in the Best Hybrid Learning Program category. This program strengthens the high potential leaders in middle management to be equipped with critical-to-success and future-ready competencies.

Improving Employee Experience

HCLTech views the reporting manager as the primary enabler of a positive employee experience. We support and train managers to succeed in this crucial role through a program of 360 degree assessments, which has been in place for more than a decade. To improve transparency of performance assessments, we have enabled business leaders with dashboards based on privacy, thus preserving methods for listening to employees. This allows managers to improve their communication and outreach and become more responsive to evolving employee needs and sentiments. Employees can also document their "wow" moments enabled by their managers that result in internal recognition at HCLTech, which encourages more positive behavior.

Nurturing Future Leaders

HCLTech consciously nurtures leaders within the organization. Through a structured process, every year we identify leadership positions that are more critical than others, leadership personnel whom we judge to be making a difference to our competitiveness, leaders who could be at attrition risk based on our analytics and leaders who have the potential to take on significantly more responsibilities. As part of our succession planning, we also identify immediate and medium-term successors for leaders two levels down from the CEO and higher. Our next-generation leaders are chosen systematically based on performance track record, leadership potential, credibility and possessing the necessary exposure to grow further. Next-generation leaders receive mentorship and training and then establish proof of readiness to prepare them for more responsibility. We have specific goals to generate future executive leadership from the next-generation cohort, including future women executive leaders. Our leadership is remarkably stable with extremely low attrition rate over the last few years.

Expanding Diversity and ESG

Employees expect HCLTech to be a leader in diversity and ESG. Living up to this expectation is a key factor in attracting top talent. HCLTech is committed to building a diverse workforce across multiple dimensions in a verifiable and measurable manner. Diversity progress includes:

- Hiring local talent in our geographies, which has increased the share of local employees so that now nearly four out of five employees in the major geographies we operate in are locals.
- Improving gender diversity from 28% to 29.2% during FY23.
- Establishing policies and guidelines to enable an equitable working environment for people with disabilities along with technological and infrastructural accessibility features.
- Running recruitment campaigns to bring LGBTQIA+ talent into the organization.
- Tailoring policies for regions: for example, establishing Martin Luther King Day as an HCLTech public holiday in the U.S.

We continuously benchmark ourselves in the Diversity, Equity and Inclusion (DEI) space and have received numerous awards.

DEI Awards Received by HCLTech:

- Recognized by The Times of India and Ask Insights as the Diverse Company of the Year 2022
- Received Brandon Hall excellence awards: Best DEI Strategy, Best Advance in Leading DEI Initiatives, Best Advance in Leadership Development for Women, Best Learning Program for Unconscious Bias Awareness and Best Use of ERG for DEI
- Included in 2022 Avtar & Seramount's 100 Best Companies for Women in India, "Exemplar of Inclusion" in Most Inclusive Companies' Index
- Included in Seramount's 2022 Global Inclusion Index. HCLTech Allearned a spot in 14 countries
- Recognized with Silver award in India Workplace Equality Index 2022

HCLTech also has mature ESG programs that deliver long-lasting impact through our actions as a company and through our pacts with stakeholders for a more sustainable future. Our commitment to ESG through Act, Pact and Impact is fueled by employee volunteering, which is supported by policies and a strong culture of contributing to the community.

Simplifying Processes and Systems

As our hiring and employee management processes have become digitized, HCLTech is engaged in comprehensive efforts to simplify its policies, processes and systems of administration and approval. We strive to make the employee-organization interface as transparent, frictionless and satisfying as possible. This journey involves restructuring hire-to-retire processes to enable quicker onboarding, creating an intuitive user interface, adding more support from analytics and data science and increasing self-service through automation and bots.

Our holistic approach toward talent strategy, our relentless focus on training our employees and our efforts to diversify our talent pipeline to be future ready have continued to put us at a position of strength in the market. We will sustain our efforts to nurture and empower our employees to ensure that they continue to deliver extraordinary experience and supercharge progress for our clients.

HCLTech is committed to building a truly diverse and inclusive organization.

Strategic Objective 3: Preferred **Digital Partner for Global 2000** Enterprises in Chosen Markets

HCLTech seeks to be the preferred digital partner for Global 2000 enterprises, a strategic objective aligned to the long-term value of building deep, strategic client relationships as a trusted partner. About 70% of enterprise IT spending comes from G2000 or equivalent firms. Around 85% of the global technology spend comes from 15 countries.

HCLTech seeks to identify companies that have, or will have, large technology budgets for transformative technology adoption. In addition, we have identified a set of fast-growing or large countries, apart from our core geographies, for future growth as focus and new frontier markets. We are selective about the kind of clients we want to pursue in order to align our resources to the most profitable and scalable markets and support high growth. Our clients demand the best of technology and have a high bar for the quality of people and services. Meeting these expectations helps HCLTech raise the bar internally, which strengthens its talent, leadership and brand.

Our Client Universe

To identify potential clients for our services business, we focus on G2000 and G2000 equivalent companies such as privately held or government-owned entities. We also have a special program to work with the fastest-growing digital-native companies that are on a rapid growth track toward achieving G2000 status. This ensures we engage early with the right clients and don't miss out on potential growth opportunities. HCLSoftware has its client universe which is broader and is consistent with the business objectives of a software business.

Our Geographic Markets

HCLTech has categorized geographical markets by size, growth stage and its participation rate.

Core markets represent the regions that are large technology consumers and where HCLTech already has a strong base, such as the United States, United Kingdom, Nordics (Sweden, Finland, Norway and Denmark), Singapore and Netherlands.

Focus markets represent geographies where the technology spend is already significant and companies are increasing their outsourcing and offshoring. Germany, Australia and New Zealand (ANZ), Canada, France and Japan are classified as Focus markets.

New Frontier countries are the fastest-growing countries with large economies and growing technology spend, especially digital spend. HCLTech has a growing presence in these markets, which have huge potential. These are Mexico, Brazil, Iberia (Spain and Portugal), Taiwan, South Korea, the Middle East and Vietnam.

FY23 Revenue Profile

HCLTech's current revenue comes from a healthy mix of clients spread across numerous verticals and geographies.

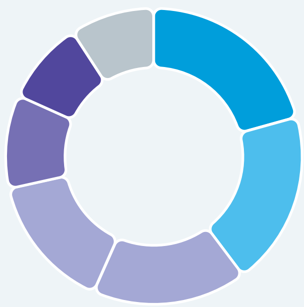
Over the last five years, the company has added a substantial number of marquee clients across various revenue categories. During this financial year, HCLTech added three clients in the $100 million+ category, three clients in the $50 million+ category, 13 clients in the $20 million+ category and 104 clients in the $1 million+ category. HCLTech ended FY23 with the number of $100 million+ clients at 19, with its top 20 clients contributing 27.8% to the company's revenue.

HCLTech's services revenue growth of 15.8% had significant contributions from all major verticals, led by the Technology & Services vertical and the Telecom, Media, Publishing and Entertainment verticals, with which grew by 22.5% and 22.4% respectively, in constant currency. In terms of geographic revenue growth, Europe, Americas and the rest of the world (RoW) registered 20.5%, 14.4% and 11% growth respectively in constant currency.

Client mix by revenue contributions

Client category	FY22	FY23
$100 million+	16	19
$50 million+	43	46
$10 million+	208	229
$5 million+	349	375
$1 million+	882	939

FY23 contributions across verticals



Key Wins

HCLTech won 50+ large deals in FY23 across services and products. Here are some of the most significant deals:

- A U.S.-based financial services company selected HCLTech as its preferred partner for the transformation and modernization of its IT landscape across the annuities, life insurance, health insurance, advice and CRM portfolios.
- One of the largest healthcare services providers in the U.S. selected HCLTech as its strategic technology partner in a multi-year engagement to manage end-to-end technology operations.
- A European health and bioscience company signed an integrated IT-led business transformation deal with HCLTech.
- A U.S.-based Fortune 300 financial services company selected HCLTech to lead its global technology transformation program.
- A leading multinational toy manufacturing and entertainment company selected HCLTech to enable its future direction and product operating model along with continued digital transformation journey.

- The ODP Corporation selected HCLTech as its primary IT partner to manage end-to-end IT operations and enterprise-wide digital transformation.

Go-To-Market Overview

HCLTech's go-to-market (GTM) strategy has been honed over decades to identify the best way to reach the most desirable client companies and cater to their needs. Our multi-pronged approach supports GTM programs focused on business segments, verticals, geographies and ecosystems.

Each business segment has its own GTM organization focused on the client stakeholders and their needs. Inside each geography, vertical-led sales organizations help make sales that require domain expertise, dynamic technology architecture and resilient go-to-market strategies. The vertical sales organization covers all major verticals and has been a key contributor to HCLTech's industry-leading financial performance.

The services and products that are brought to market are constructed by a team of seasoned solution architects, subject matter experts and business development leaders with strong domain expertise. These teams work closely with clients to develop and implement service offerings, products and platforms to address business challenges leveraging the technology solutions.

When needed, HCLTech's offerings are developed and delivered in collaboration with its strong global network of ecosystem partners.

Our priorities for being the preferred digital partner

We pursue the objective of becoming the digital partner of choice for G2000 companies through a comprehensive approach. Here are a few of the specific ways HCLTech is working to achieve this objective.

Expanding Our Leadership through Differentiated Services and Products

In order to be the preferred digital partner of the G2000, HCLTech must excel across all strategic objectives. Each one of the five strategic objectives support, amplify and reinforce one another. The objective to expand our leadership by providing great services and products supports our efforts to be the preferred digital partner of the G2000 by providing our teams with the ingredients to solve the most complex challenges. The ability to deliver is the cornerstone of attracting and keeping high quality G2000 clients. By mastering cloud and emerging technologies, creating vertical competencies, making selective acquisitions, promoting innovation through Ideapreneurship, supporting a partner ecosystem, perfecting service delivery and building our own enterprise software products, HCLTech offers a wide range of services and products for G2000 clients.

Listening and Learning from our Clients

HCLTech's Customer Advisory Board (CAB) consists of CXOs from our most strategic accounts across a variety of industries with varying tenures of working with HCLTech. The CAB member perspectives, insights and directional guidance help HCLTech better address customer needs and ensure our value propositions and services continue to deliver real value to our customers. The CAB provides a forum where clients can learn from the experiences and best practices of their professional peers in other industries. By creating a platform for continued learning through sharing of best practices, the CAB ensures that HCLTech will continue to be considered the partner of choice as members explore and implement next-generation solutions.

Maintaining a Consistent Client Cadence

Through a governance framework called CREST, HCLTech has institutionalized the process of cadence meetings, the process of checking in regularly with clients. Across all engagements, CREST provides a supporting technology platform to initiate a dialogue with clients and understand how HCLTech can help them achieve their goal. CREST works along with various tools and processes that allow for comprehensive account planning and reporting and to keep all stakeholders engaged on the same agenda.

Listening Through Client Satisfaction Programs

HCLTech measures and promotes client satisfaction through a variety of programs to track various customer satisfaction indexes (CSATs). Project CSAT (PCSAT) is used to monitor client satisfaction for each project. Once a year, an independent third party conducts an account-level CSAT (ACSAT) to provide a health check on client engagement and relationships, benchmarked against competitors. Clients have the option to remain anonymous and share candid feedback. As part of this program, every entity at HCLTech gets a computed CSAT, a net promoter score (NPS) and a synopsis of client feedback to help it improve and work on specific requests from clients.

> The CSAT program has helped HCLTech increase its overall client experience index to the top quartile and maintain that position in the last few years.

Enhancing the Go-To-Market Ecosystem

Advisors and analysts who help identify client priorities and recommend roadmaps are as important as our clients. We have dedicated programs to ensure that this important group is kept abreast of our propositions and that we learn from them. Our programs to work with industry analysts, sourcing advisors and deal consultants help us:

- Obtain market and customer insights so that HCLTech is able to effectively refine current offerings and develop new offerings that are most relevant for clients and prospects.
- Establish HCLTech as an industry leader in Digital Services, Digital Foundation Services, Engineering and R&D Services and HCLSoftware through effective engagement with this community.
- Share HCLTech's strategy and investment priorities for supporting client growth so that analysts and advisors are able to clearly articulate HCLTech's value proposition to clients and prospects.

Developing Client-facing Talent

HCLTech is committed to developing go-to-market sales, practice and delivery teams and training the right leaders for the right roles. HCLTech's sales development programs equip sales teams with the tools, training and knowledge to empower them to become trusted advisors to the client. The programs also help them to hone their skills to serve existing clients effectively.

Improving Business Enablement

HCLTech's enablement framework supports the sales and solutions teams by providing them with modern technology platforms, simplified business processes and advanced analytics. For example, our integrated visibility platform enables sales organizations to create, manage and review opportunities in real time including all relevant market intelligence. Other systems help automate and streamline account planning, invoice generation and account-based marketing. An internal knowledge management system helps increase organizational learning and collaboration among team members to facilitate faster decision-making and achieve competitive advantage.

Positioning for the Future

The company's brand transformation establishes a new, distinctive identity underpinned by a compelling brand purpose, position and narrative of Supercharging Progress, reflecting its commitment to clients, people, communities and the planet. This positioning emphasizes our differentiated services, products and platforms as transformation superchargers for businesses at speed and scale. Our employee value proposition, 'Find Your Spark,' complements our external brand and positions us as a global employer brand of choice to attract the world's top tech talent.

The reinvigorated brand has galvanized the company and is at the heart of our business go-to-market, talent outreach, employee engagement and commitment to communities and ESG imperatives.

HCLSoftware's Go-To-Market Strategy

HCLSoftware serves both enterprise and mid-market clients through a direct sales organization, channel partners and embedded offerings through OEM providers. HCLSoftware's GTM strategy is designed to address the unique characteristics of its sales process and target market. The following are our focus areas to ensure future success:

- **Shift to XaaS model and Subscription Pricing:** We now have as-a-service model along with subscription-based pricing model for enabling better value and experience for its customers. This is expected to mutually benefit customers as well as HCLSoftware in terms of business growth.
- **Renewed Business Partner Strategy:** HCLSoftware is revamping its business partner strategy and some of the initiatives underway are personalization of the partner portal, setting up of training academy for Business Partners, etc.
- **New Marketing Initiatives:** HCLSoftware is moving on a path to product-centric launches and marketing initiatives across geographies. These are focused on joint marketing campaigns with business partners and focused efforts on brand building and positioning of products. This is expected to boost customer mindshare and preference for HCLSoftware products.
- **Industry Cloud as part of Product Strategy:** HCLSoftware is moving forward with an AI-based cloud strategy for moving to industry-oriented clouds to handle the existing expansions and address the new market opportunities swiftly.

By executing on all the strategic objectives and the programs just described, HCLTech creates the conditions in which G2000 and G2000-equivalent firms will overcome their most vexing challenges and transform their businesses with our offerings.

HCLSoftware is accelerating Scuderia Ferrari's digital transformation journey.

HCLTech's ESG initiatives are helping local communities make significant progress.

Strategic Objective 4: Weave **ESG Goals** into Business Strategy

We have made Environmental, Social and Governance (ESG) factors, aligned with United Nations Sustainable Development Goals, an integral part of our business strategy. By leveraging our sustainability expertise, we want to achieve two objectives: to meet our own sustainability goals and to help our clients achieve their sustainability goals and create a positive impact for all stakeholders. We believe there is a tremendous business opportunity to address client needs in this space and we are evolving an integrated value proposition.

Our Approach and Goals

We anchor our sustainability approach to three guiding principles:

- **Act:** Acting in the most responsible and sustainable manner and ensuring every resource is used efficiently to maximize value.
- **Pact:** Working for a sustainable future, in collaboration with our clients, partners, communities and all stakeholders.
- **Impact:** Focusing on creating sustainable impact through all initiatives and activities.

We have targets for each ESG focus area. We have set ambitious environmental goals to help combat climate change including achieving net-zero emissions by 2040, reducing absolute scope 1 and 2 emissions by 50% by 2030 and using 80% renewable energy by 2030. We also intend to maintain zero discharge and waste to landfills from our facilities. Our social goals involve improving ESG knowledge and gender diversity, with a target of 40% women in the workforce and 30% gender representation in senior leadership by 2030. Lastly, our governance goals include strengthening our sustainable supply chain, integrating ESG into risk management and internal audit and becoming a recognized leader in information security and data privacy.

Achievements

HCLTech made significant progress toward its sustainability commitments (see our Integrated Report). One key initiative is the HCLTech Sustainability School launched in November, 2022. This program includes a comprehensive climate literacy learning series developed by AXA Climate, designed to raise awareness of climate change and its impact on the environment and communities. Through the HCLTech Sustainability School, we have provided an opportunity for all our employees with tools to learn to reduce their carbon footprint and positively impact the environment, thereby becoming sustainability champions.

Recognitions

Our ESG approach was recognized by top global assessment platforms and investors, including Sustainalytics, S&P CSA, FTSE4Good Index Series, MSCI, CRISIL, EcoVadis and ISS. HCLTech was designated an Industry Mover in the S&P Global Sustainability Yearbook 2023 and received an "AA" from MSCI ESG Rating. We were also named one of the best-performing ESG companies in our industry and region by Sustainalytics and received the highest "A" rating from CDP for Supplier Engagement on Climate Change.

Corporate Social Responsibility – HCL Foundation

HCLTech integrates corporate social responsibility (CSR) into the core of its business, aiming to contribute to the socioeconomic and environmental advancement of the planet, while adhering to the UN global Sustainable Development Goals (SDG). Our new brand positioning—Supercharging Progress—emphasizes the importance of delivering swift, scalable and sustainable value to our "Communities" and "Planet" alongside "Clients" and "People." Our Global CSR Policy focuses on environment, health, education and disaster risk reduction and response. The HCL Foundation leads our CSR efforts in India where its initiatives have impacted more than 5.13 million lives. In addition, the Foundation helped harvest 32 billion liters of water, contributing to the conservation of natural resources in the region.

Helping Enterprises Achieve Their Sustainability Goals

We help leading global enterprises achieve sustainability goals by leveraging our digital transformation expertise and sustainability-focused solutions. We understand the unique challenges enterprises face in their sustainability journeys, including regulatory compliance, circular supply chains, process transformation and technology systems. As a trusted partner, we collaborate closely with our clients to help them proactively act on sustainability initiatives across their entire value chain. Our deep understanding of materiality considerations and business processes enables us to execute sustainability strategies that drive real impact and create long-term value for all stakeholders.

Supercharged HCLTech volunteers during the One Tree Planted plantation drive in Brazil.

HCL Foundation is working with local communities to provide education opportunities to the underprivileged.

We provide the following offerings as part of sustainability services as part of our engineering offerings:

Sustainable Product Design and Engineering

- Designing sustainable products to extend their life cycle, improve reliability, reusability and recyclability
- Utilizing digital twin, extended reality (XR) and simulations to reduce material waste and carbon emissions during the design phase

Sustainable Manufacturing and Operations

- Improving productivity and reducing waste through logistics and material flow optimization, plant layout design and optimization
- Offering predictive maintenance solutions to avoid potential equipment issues and costly downtime

Sustainable Packaging

- Designing sustainable packaging to enable reuse and return of packaging materials
- Using material engineering to incorporate recyclable or biodegradable materials in packaging

Sustainable Supply Chains and Ecosystem

- Developing a digital platform to enable a circular economy
- Implementing environmentally responsible sourcing and supplier screening
- Providing an online marketplace to buy, sell and offer new data-led services for waste, recycled or remanufactured materials and products

HCLTech's sustainability approach is a three-step process that includes:

- Assess and advise
- Reimagine and re-engineer
- Reporting and insights

Our Simplified ESG Analytics Platform, for example, integrates data from external ESG data providers, providing end-to-end analytical and reporting capabilities. Meanwhile, our Track and Trace IoT and Business Process Management solution helps clients optimize delivery routes, reducing fuel consumption and greenhouse emissions. Our AR Remote Assist solution enables remote site visits, reducing emissions and costs. Our partnerships with AWS, Azure, Waterplan and Winnow help us create bespoke ESG solutions for clients. With our CloudSMART approach, we help clients reimagine their cloud journey with a sustainability-first mindset, driving down emissions and improving overall sustainability.

We are committed to driving sustainability not just within our own operations but also by helping our clients achieve their ESG goals. Our comprehensive suite of sustainability-focused solutions and services combined with our own ESG initiatives enable us to make a positive difference in the world. Together with our clients, we can contribute to a more sustainable and equitable future for all.

Prateek Aggarwal, Chief Financial Officer, HCLTech, at the U.S. Investor Day, sharing insights on the company's performance and growth plans.

Strategic Objective 5: Deliver **Top Quartile TSR** over the Medium Term

HCLTech is one of the world's largest technology services company by market cap as of March 31, 2023, thanks to the market's trust in our differentiated offerings, strong client base and ability to deliver. For the past decade, we've delivered the top quartile total shareholder return (TSR) among our peer group. Our commitment to growth, profitability, return ratios and intelligent use of capital will help us continue this trend and deliver top quartile TSR. To drive toward this goal, we focus on the following strategic priorities:

Organic Growth

HCLTech's growth strategy centers around seizing opportunities in markets worldwide. A consistent and sustainable pipeline resulted in winning $8.85 billion new deals in FY23, an increase of 6.6% over FY22. Over the last 10 years, our revenue compounded annual growth rate (CAGR) of 10.7% in constant currency has been much stronger than the industry. In the past two years alone, we expanded our reach to more Focus and New Frontier markets and increased our focus in Core countries. This resulted in strong growth in our business segments–IT and Business Services (ITBS), Engineering and R&D Services (ERS) and Product & Platforms (HCLSoftware)—which saw growth rates of 15.6%, 16.8% and 1.8% (excluding FY22 divestments) respectively in constant currency during FY23.

Sustainably Increasing Profitability

We aim to improve our profitability range to pre-COVID-19 levels over the medium term. To do so, we are doing the following.

We invested in new talent at HCLTech, ramping up our entry level hiring from 5,911 in FY19 to 22,859 in FY22. In FY23, HCLTech hired 26,734 freshers, with a good portion of people (over 18%) recruited through its unique TechBee program. This initiative involves hiring the best high school graduates worldwide and providing them with relevant skills to perform assured entry level IT jobs within HCLTech while enabling them to pursue university education through partner institutions.

To ensure efficient operations, we are streamlining our processes for freshers and laterals, focusing on improving the time to bill by investing in pre-employment training through online programs or partnerships with educational institutions. By optimizing our hiring and training engines, we can improve utilization and better serve our clients.

We expanded our global reach by investing in 20 new delivery locations with a total capacity of approximately 22,000 people. This enables us to leverage local time zones, language and cultural affiliations while operating in proximity to our clients to minimize risks. Through these nearshore delivery locations, the company can serve clients in a more cost-efficient manner. Automation tools and software further minimize manual effort and increase efficiency. We intend to double our nearshore headcount in the next few years to serve clients with a flexible delivery approach.

Prudent Capital Allocation

We are committed to improving our return on invested capital (ROIC) and have also meaningfully improved the disclosures on this important metric. The overall ROIC for HCLTech is 30.4%, up 150 bps YoY in USD terms. The ROIC for HCLTech Services and HCLSoftware are 37.3% and 15.5% respectively.

Medium-Term Payout Commitments

In October 2021, the HCLTech Board announced a clear plan for allocating capital over the next five years. According to this plan, at least 75% of net income would be paid to investors cumulatively from FY22 to FY26. In FY22 and FY23 the company had a payout ratio of 88% and 87.5%, respectively.

Selective Acquisitions

Our approach to inorganic growth opportunities is disciplined and pragmatic. We focus on building scale and capabilities through small, selective acquisitions that enhance our capabilities, improve speed to market, expand strategically important geographies and complement existing product offerings. In keeping with these priorities and our commitment to organic growth, we have not made any large acquisitions in the past four years. Our Integration and Performance Management Office ensures smooth integration and rapid value creation by coordinating internal stakeholders responsible for the integration process.

Working Capital Management

HCLTech manages its money efficiently, invoicing and collecting payments quickly to reduce the amount of money tied up in working capital. The company has maintained a superior OCF/NI conversion rate as compared to its peers at an average of ~127% over the last five years and will sustain robust cash conversion average for the next two years at ~120%.

Investor Relationships

HCLTech values regular communication with investors and analysts and have made it an integral part of our core governance philosophy. We believe our investors and analysts add significant value to our business strategy through their insights. We demonstrate this through our increased commitment to market engagement with various measures that include benchmarking our disclosure norms and improving them on an ongoing basis. We also host regular sessions with investors and analysts, including two held this financial year in Mumbai, India (May, 2022) and New York, U.S. (December, 2022).

Vijay Guntur, President, Engineering and R&D Services, HCLTech, at the Investor Day in Mumbai.

Risk Management

At HCLTech, we understand the importance of risk intelligence and management to achieve our strategic objectives, protect stakeholder value and deliver quality services to clients.

The ERM program is based upon ISO 31000:2018 Risk Management standard and COSO ERM Integrated Framework. In addition, our Risks Intelligence framework helps in identifying and managing the external risks covering the PESTLE (Political, Economic, Social, Technological, Legal and Environmental) factors. This enables HCLTech to effectively manage the diverse categories of risks that may impact our strategic plans and provides an environment to bring together the best of technology and our people to supercharge progress for our clients, people, communities and planet.

Risk Governance and Oversight

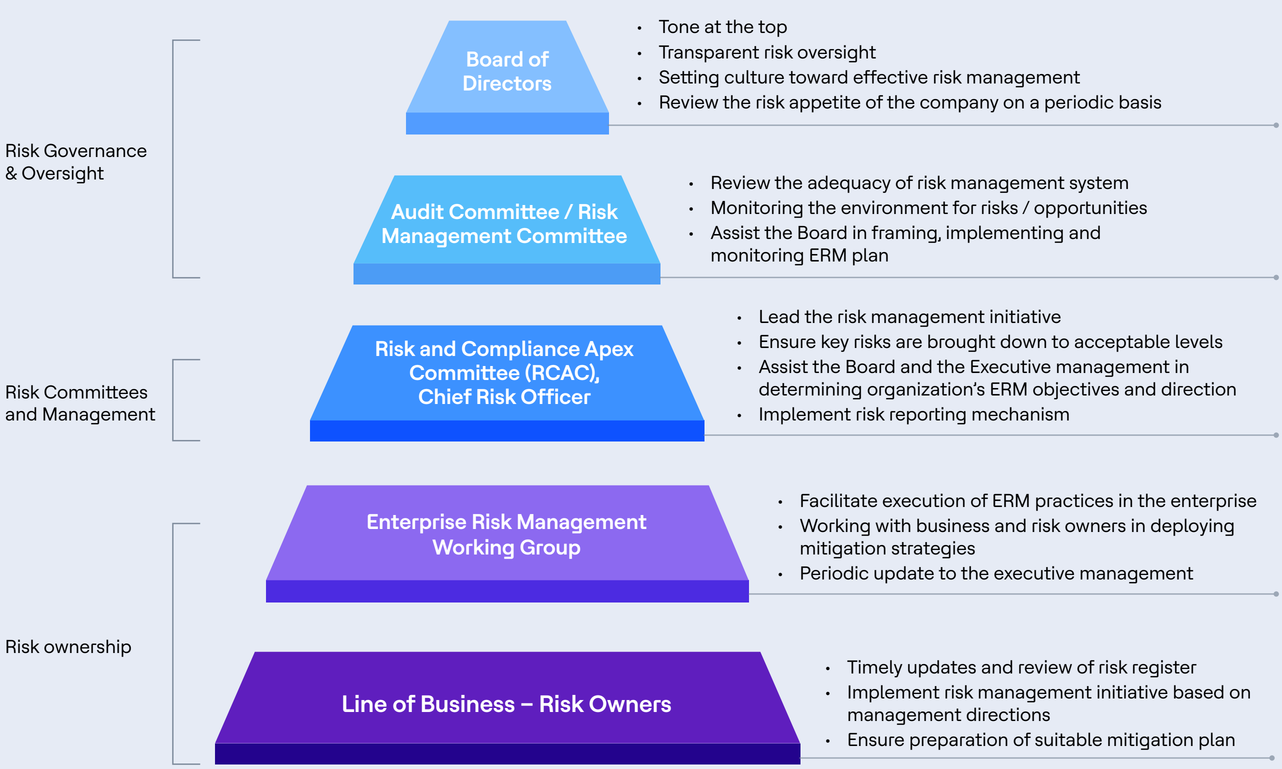
Our risk management organization is structured to integrate risk management practices seamlessly with our business strategy and operations:

The Risk Governance and Oversight function is led by the Board of Directors and Risk Management/Audit Committee, which plays a pivotal role in framing and reviewing our ERM policy as well as identifying and assessing key business risks of our organization.

The key executives and working officials of the company share responsibility for managing risks through the risk committee and risk ownership. The ERM initiative is driven across the organization by the Risk and Compliance Apex Committee (RCAC), Chief Risk Officer (CRO), ERM Working Group and Risk Owners.

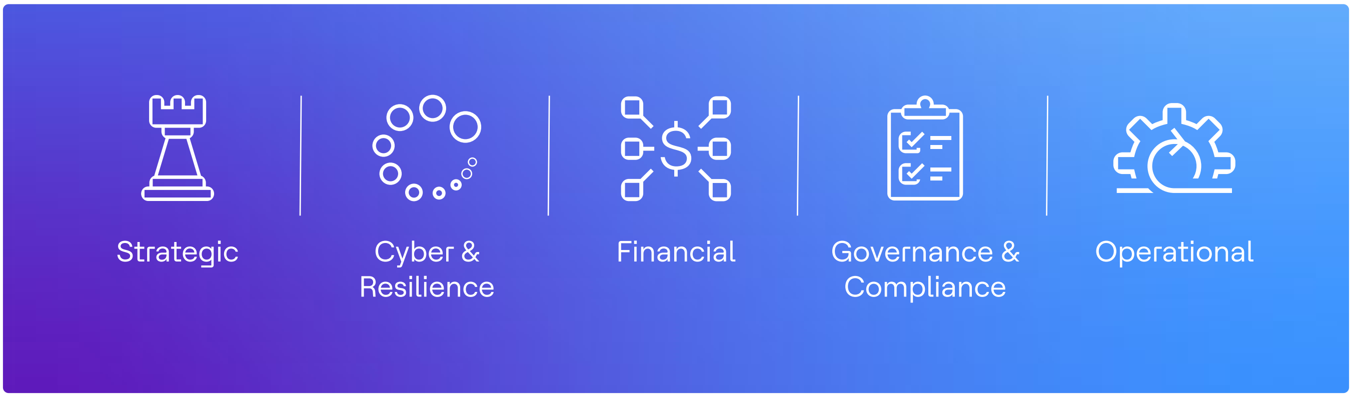
Risk Owners are individuals who understand a given risk better and can contribute mitigation of the risk. The Risk Owner is typically a senior executive from a line of business (LOB) or enabling function responsible for driving and monitoring the progress of mitigation strategies. The Risk Owner is also responsible for coordinating risk management activities for their respective LOBs, enabling functions and geographies and facilitating the flow of information to the ERM Working Group.

Risk Governance Structure



Our Risk Universe

HCLTech has classified its risk universe into five categories: Strategic, Financial, Cyber and Resilience, Operational and Governance & Compliance as visualized in the accompanying graphic. Primary risks under each of the categories and their mitigation measures are discussed below.



Strategic Risks

Primary Risk	Details	Mitigation
Business Model	HCLTech operates in a fast-paced industry where failure to keep up with changing client needs, attracting quality talent and adapting to evolving operating models can jeopardize business growth. Additionally, emerging technologies like GenAI present both a threat to the existing business model and an opportunity to offer new services.	• We have invested in identifying trends ahead of the curve to build capabilities and ensure a comprehensive portfolio, maintaining our position as a leader in services and product offerings. • Utilizing our entrepreneurial DNA and a robust organizational change management process, we have made timely structural and cultural adjustments to transform our operating model and unlock new value. • To attract quality talent that can adapt to changes in our business model, we provide best-in-class employee benefits and career growth opportunities.
Business Concentration	HCLTech faces a risk when clients are concentrated in a particular business segment or industry vertical or region. Any adverse impact to that region or industry could pose a risk to the company.	• As part of a long-term strategy to align with market demands, our vertical share is well-balanced and continuously evolving. • We are gradually shifting our business portfolio mix toward digital business, which now accounts for over 50% of our services growth, while still maintaining a balanced mix with ERS and Digital Foundation. Our unique software business further enhances our portfolio mix, setting the company apart in the services-heavy industry. • We have reduced the risk of dependence on any specific region or by expanding into new geographies known as Focus and New Frontiers.

Primary Risk	Details	Mitigation
Business Delivery	HCLTech faces a risk from constraints on service delivery due to technological limitations, pandemic, geopolitical developments, or the availability of talent. Any of these factors can have an impact on the company.	• HCLTech continuously monitors the global environment and works closely with advisors, clients, partners and governments to optimize its delivery model. • To develop talent access and service-delivery resilience, we have expanded into Asia Pacific, Eastern Europe, Latin America and second-tier cities in the U.S. and India through our global New Vistas (NV) and nearshore initiatives.
Competition	HCLTech operates in a fiercely competitive market where numerous companies vie for the same clients. Additionally, there is risk from management consulting, auditing and accounting firms, which are emerging as formidable challengers in digital transformation services. The intense competition in the market can result in potential loss of customers and a decline in market share.	• HCLTech builds strong relationships with its client base, as demonstrated by sustained above-industry-average CSAT scores over multiple years. • We adapt quickly to new trends and technologies to effectively meet the evolving needs of customers. • HCLTech approaches new players in the market with a flexible approach of "coopetition" to foster mutually beneficial partnerships and collaborations.
Outsourcing Vectors	HCLTech faces a risk when established captive IT units or global innovation centers (GICs) chooses to build technology skills in-house instead of outsourcing to technology firms. Legislative changes that limit the availability of work visas and contribute to deglobalization can potentially impact outsourcing.	• HCLTech recognizes the potential risk to outsourcing from such trends and legislative changes. However, we view these trends as opportunities and have continuously monitored and tracked them over the years to adapt and respond accordingly. • For example, IT service providers have the opportunity to generate additional revenue when captive IT units outsource their traditional IT services responsibilities to them. • To mitigate the potential impact of legislative changes on outsourcing, HCLTech has decreased reliance on work visas by hiring more local talent and enabling remote and hybrid workplaces. This strategy has resulted in one of the highest local talent ratios in the industry. Additionally, we leverage nearshore centers and onshore delivery to further reduce dependency on work visas.

Financial Risks

Primary Risk	Details	Mitigation
Default or Credit	HCLTech's credit risk is concentrated in cash and bank balances, inter-corporate deposits, customer receivables, finance lease receivables, investment securities and derivative instruments. As the company's clients are primarily corporations based in the U.S. and Europe, the receivables are concentrated in these countries. All financial instruments mentioned above carry a risk of non-performance by counterparties.	• HCLTech evaluates the financial reliability of its clients by analyzing their financial condition, current economic trends, historical debts and customer receivables.
Currency	HCLTech generates the majority of its revenue from clients located outside of India and the company mainly receives payments in foreign currencies. Similarly, as HCLTech has delivery teams based in various countries, most of its costs are also denominated in foreign currencies. This situation puts HCLTech at risk of financial loss due to changes in exchange rates.	• HCLTech uses foreign exchange forward contracts and options to mitigate the risk of foreign currency fluctuations on its foreign currency assets and liabilities. • The board establishes governing policies and processes that determine the duration of hedges, the percentage of risk to be covered and the counterparty risk to be assumed.
Acquisition	HCLTech periodically acquires businesses, and the success of these acquisitions depends on how well the acquired entity is integrated and how synergies between the acquired business and HCLTech are realized. The success of an acquisition is also dependent on external factors. Factors beyond HCLTech's control can have an impact, including the risk of impairment of goodwill and other intangibles if the acquisition is not effectively integrated. The absence of a formal integration process can also lead to a misalignment with business objectives, failure to realize synergy benefits, ineffective post-deal monitoring and loss of critical talent.	• HCLTech has a robust integration and performance management framework that enables the acquired businesses and HCLTech to achieve the acquisition objectives. Our Integration and Performance Management Office (IPMO) manages the integration process and ensures value creation. • Our governance program includes a robust mechanism to ensure regular reviews at set intervals and at multiple levels, from Line of Business leadership to Executive Management to the Board of Directors, to address these concerns.

Primary Risk	Details	Mitigation
Tax	HCLTech is subject to taxes in numerous jurisdictions worldwide and benefits from tax advantages in India and several other countries. Changes to tax laws in India or other countries where HCLTech has a significant presence could have an impact on the company's effective tax rate. As HCLTech operates in multiple jurisdictions, transfer pricing arrangements among legal entities in these regions are subject to review by various tax authorities.	• HCLTech has employed specialized tax teams that keep abreast of the latest tax developments in different countries and implement appropriate tax planning strategies based on changes in tax laws. • To mitigate tax risks associated with transfer pricing, we have established advance pricing agreements in several countries and periodically reviews them with external consultants.

Operational Risks

Primary Risk	Details	Mitigation
Talent Management & Development	HCLTech faces the risk of not fulfilling resource demands, which could have a negative impact on top line growth and organizational expansion due to a shortage of talent. Furthermore, the risk of higher attrition rates can also equally affect delivery capability and growth plans. Managing talent and meeting the ever-increasing demand for talent poses a significant ongoing risk to the company.	• HCLTech is increasing its entry level hiring to ensure have enough talent worldwide. We have a strong training strategy to meet the needs and goals of all employees. This includes learning solutions for professional, technical, functional and leadership development. The latter helps mitigate the risk of having a leadership pipeline that's not ready for larger roles due to a lack of development and succession planning. • We have a variety of initiatives to attract, engage and grow a stable and happy multi-generational employee pool. • Our HR/People team aims to reach every employee to support their growth and provide employees with progressive career paths through internal opportunities.

Primary Risk	Details	Mitigation
Service Delivery Commitments	HCLTech recognizes the risk of failing to comply with terms and conditions, including meeting contractual commitments and service level agreements (SLAs) made with its clients. This is considered a significant enterprise risk, emphasizing the need to effectively identify, monitor and report on SLAs to relevant stakeholders. The COVID-19 pandemic, as well as the Russia-Ukraine conflict and related events, have highlighted the vulnerability of supply chains to disruptions resulting from supply-side shortages and logistics-capacity constraints.	• HCLTech has robust governance to continuously assess client expectations and work on proactive measures to deliver the promised value. • HCLTech employs an integrated business planning and execution process, in which the sales and delivery teams regularly engage with clients to ensure the seamless execution of engagements within SLAs. The company has a robust cadence mechanism, known as CREST, with larger leadership participation to identify and address any issues ahead of time. We also use annual account level feedback (ACSAT) and project feedback (PCSAT) to mitigate the risk of failure to meet service delivery commitments. • We have implemented a robust vendor risk management framework to minimize the potential business impact to us and our clients arising out of breaches and liabilities while leveraging third or fourth parties (referred to as vendors, suppliers, contractors or service providers).
Cost Management	HCLTech recognizes effective cost management as a crucial aspect of our operations, particularly during periods of higher inflation. Poor budget planning, inaccurate cost estimation and external factors such as rising costs of talent and other resources can all contribute to the risk of cost overruns.	• HCLTech's control processes include frequent benchmarking and delivery restructuring, enabling the organization to remain cost-competitive. Our managers employ a zero-based budget approach, scrutinizing costs constantly. We also have a seamless view of demand and supply to ensure any genuine cost increases due to external factors are passed through to clients at the appropriate time through billing rate increases in our pricing structure.
Internal Controls and Processes	Lack of processes or poorly designed processes and controls in HCLTech can lead to operational inefficiency and impact business.	• HCLTech has a plethora of robust internal frameworks and processes that are monitored in numerous ways to evaluate their impact. We also have regular audits to ensure process quality and adherence to mandatory processes.
Operational Agility	HCLTech faces a risk if it is not operationally agile, meaning it may not be able to respond and adapt to changing market conditions or meet various stakeholder preferences, including clients, employees and the community. This lack of agility could result in significant financial losses and a negative impact on the company's brand.	• HCLTech has strong internal processes and efficient resources in place to ensure smooth operations and high agility. • Our ideapreneurship-led culture empowers leadership and managers to respond to changing market conditions in line with our purpose and strategic objectives. • Our history of success through this approach is the evidence that people in the organization are well-trained and aware of how to be agile without increasing risk exposure.

Cyber and Resilience Risks

Primary Risk	Details	Mitigation
Information and Cybersecurity	HCLTech faces significant risks in information and cybersecurity, particularly with regards to the protection of client and company data, as it is a global IT services provider. The risk of data breaches due to inadvertence, negligence or intentional acts of employees can have a significant negative impact on HCLTech' s business.	• To ensure HCLTech 's cyber preparedness is of the highest order, HCLTech has implemented a robust and comprehensive Information Security Management System (ISMS) across the company and its third-party partners. • It has hired qualified cybersecurity professionals and invested in high-end security technology solutions. Additionally, we conduct periodic internal and external audits to assess our preparedness, and we have obtained third-party certifications such as ISO 27001, SOC1, SOC2 and PCIDSS where required to demonstrate our commitment to cybersecurity. • HCLTech's Information Security policies are based on industry best practices and leading security frameworks, with a continuous reinforcement of security controls to ensure the confidentiality, integrity and availability of information assets. Additionally, there is a continuous awareness program for all employees to ensure that they are up to date with the latest security practices. • HCLTech has cyber insurance that covers several types of breaches and cyber events. The company has not experienced any material cyber breaches in the past three years.
Business Continuity	HCLTech 's reputation as a leading technology company depends on its resilience to disruptions and its ability to adapt to a complex and rapidly changing global risk landscape. Business continuity is critical to our ability to deliver services to clients. Failure to meet contractual continuity requirements due to lack of preparedness can negatively impact organization's ability to provide uninterrupted service.	• Our business continuity program works in tandem with our crisis response system to ensure an effective and prompt response to any disruptive event, be it man-made or natural, that may impact our business operations. • HCLTech is a forward-looking organization. Our business continuity and crisis management programs are enhanced further to improve readiness and adapt to global events and threats. Resilience is an integral part of our operations and are working to embed it across all aspects of the organization, including work, people, workplace, business operations, technology, supply chain and leadership.

Primary Risk	Details	Mitigation
Geopolitical	HCLTech faces risks from global events, such as the ongoing Russia-Ukraine and Taiwan-China conflicts, as well as potential sanctions from OFAC on China and Iran, which can have significant domestic and global economic implications. Any future global economic or political uncertainties may further exacerbate IT spending reduction, postponement or consolidation, contract terminations, project deferrals and client purchase delays. Such uncertainties can also affect the industries that drive a substantial portion of HCLTech's revenue. Heightened geopolitical situations among the major economies may also impact HCLTech's ability to grow holistically across regions.	• HCLTech has set up a geopolitical framework to continuously monitor geopolitical risks using the PESTLE framework. This allows for proactive measures to be taken in response to various macro developments. The framework is designed to work in tandem with our crisis response program, which enables us to respond to critical events arising from geopolitical developments in an effective and timely manner. • We have been expanding our business across various countries to minimize dependence on any single country for revenue growth and service delivery. Additionally, we have implemented a strategy of hiring local talent through various internal programs, which helps mitigate the risk of any adverse impact on the business due to restrictions on the free mobility of staff. • We strategically invest in a flexible talent model of onsite, onshore, nearshore and offshore resources to address these concerns and empower the best to solve client business challenges.

Governance and Compliance Risks

Primary Risk	Details	Mitigation
Environment Social Governance (ESG)	HCLTech recognizes that environmental, social and governance (ESG) risks pose a critical challenge to its business operations. As a responsible corporate citizen, HCLTech has integrated ESG considerations into its overall risk management program, with the board and management responsible for identifying and mitigating these risks. Failure to effectively manage ESG risks can lead to reputational damage, loss of business opportunities and potential regulatory non-compliance, which can significantly impact HCLTech's financial performance and long-term sustainability.	• HCLTech is committed to managing ESG risks as part of its overall integrated risk management program. Our program is designed to identify and address ESG risks that could impact our financial performance, reputation and ability to achieve our strategic objectives. We have enhanced the risk integration and uplifted the relevant risk management program to align with our commitment to supercharge progress for communities and the planet and to support global environmental and sustainability objectives. For more information on our program and key ESG risk factors, please refer to the detailed section.

Primary Risk	Details	Mitigation
Regulatory Compliance	HCLTech operates in an ever-growing list of countries and industries, leading to a higher risk of non-compliance with regulatory requirements that are applicable to its business. Failure to comply with such regulations may result in financial and reputational losses for the company.	• HCLTech's global regulatory compliance framework that identifies, assesses, mitigates and monitors regulatory risks that affect our operations. This framework covers both global and local laws and regulations and helps the organization prevent violations that could harm our reputation, employees and clients. • Comprehensive awareness and training programs are implemented to drive compliance culture across the organization. • The board receives quarterly compliance certificates from the respective functions with responsibility for compliance.
Privacy	HCLTech's operations have expanded significantly, leading to an increase in the scope of processing personal data of individuals, vendors, contractors and enterprises. Furthermore, remote working has resulted in changes in the processing environment. Privacy laws across different countries are stringent and dynamic, especially regarding healthcare and financial data. The privacy landscape is continuously shifting as governing bodies around the world scrutinize the adequacy of privacy laws and regulations to address the evolving digitization of personal data. Additionally, case law and privacy actions that individuals and enforcement agencies bring further impact the privacy landscape. Non-compliance with these applicable privacy legislations poses a significant risk to HCLTech.	• HCLTech has established a robust privacy information management system to safeguard personal data and ensure compliance with applicable legal, regulatory and contractual obligations pertaining to data privacy and protection. The system ensures adherence to generally accepted Privacy Principles to manage and address data subject rights and other privacy obligations. • Our privacy information management system includes various components such as global governance, policies and procedures, training and awareness programs, privacy impact assessments, privacy by design, data mapping, third-party contractual oversight, incident management and a mechanism for global monitoring of privacy compliance. These components ensure that we have the necessary capabilities to support global privacy compliance in an ever-evolving regulatory space that requires constant monitoring of regional privacy compliance variances. • Our privacy team is led by a Global Privacy Officer and consists of Regional Privacy and Data Protection Officers. HCLTech holds industry-recognized certifications and accreditations. An external global data protection officer provides oversight by independently reviewing and reporting on the measures in place for privacy compliance.
Intellectual Property (IP) infringement and leakage	HCLTech's Intellectual Property (IP) is a key differentiator and reflects its innovative capabilities. The company has implemented extensive measures to drive innovation at all levels of the organization, ensuring that innovation and differentiation are embedded into the company's culture. This approach helps HCLTech to continuously adapt and prepare for the future. However, there is a risk of IP infringement and loss of ownership in the absence of effective IP governance, which may result in Intellectual Property violations.	• HCLTech has implemented extensive measures to safeguard the company's intellectual property (IP) to prevent potential losses in ownership rights and financial losses. • We have taken appropriate measures to prevent infringement of intellectual properties such as patents, trademarks and copyrights belonging to others. This helps mitigate the risks of increased litigation, financial losses and reputational damage. • To address the changes in the IP landscape, we have conducted a thorough review of the risks in this area and implemented effective mitigation measures.

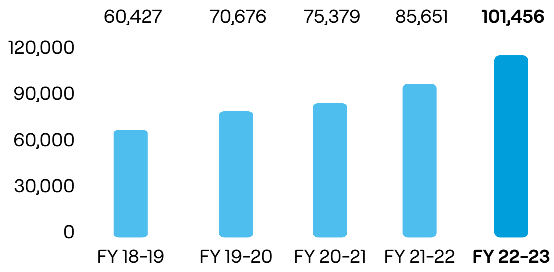
Consolidated Results

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 2023, prepared in accordance with the Indian Accounting Standard (referred to as "Ind AS"), prescribed under Section 133 of the Companies Act, 2013, and read with the Companies (Indian Accounting Standard) rules as amended from time to time.

Performance Trends

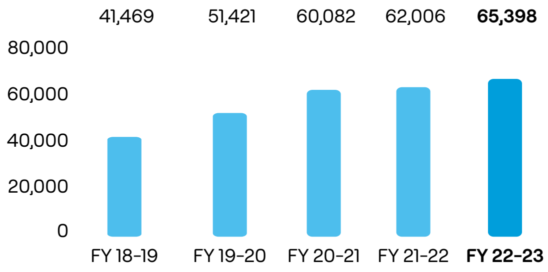
Revenue (₹ Crores)

Revenue has increased from ₹60,427 crores in FY19 to ₹101,456 crores in FY23, with a compounded annual growth rate (CAGR) of 13.8% over the last four years.



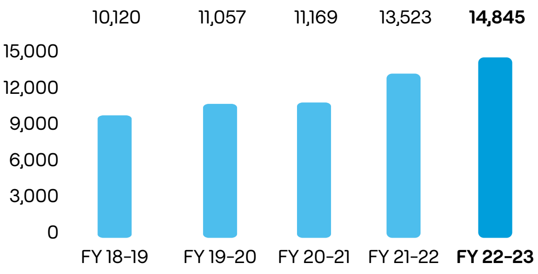
Net Worth (₹ Crores)

The Net worth has increased from ₹41,469 crores in FY19 to ₹65,398 crores in FY23, with a CAGR of 12.1% over the last four years.



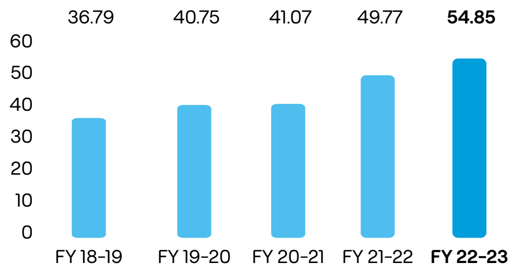
Profit After Tax (₹ Crores)

Profit after tax has increased from ₹10,120 crores in FY19 to ₹14,845 crores in FY23, with a CAGR of 10.1% over the last four years.



Earnings Per Share (₹)

Basic earnings per share has increased from ₹36.79 in FY19 to ₹54.85 in FY23, with a CAGR of 10.5% over the last four years.



Financial Performance

Results of operations (Consolidated):

(in ₹ Crores)

	Year ended				
	31 March 2023		31 March 2022		
Particulars	**Amount**	**% Revenue**	**Amount**	**% Revenue**	**% Increase**
Revenues from operations	101,456	100.0%	85,651	100.0%	18.5%
Other income	1,358	1.3%	1,067	1.2%	27.3%
Total income	**102,814**	**101.3%**	**86,718**	**101.2%**	**18.6%**
Expenses					
Purchase of stock-in-trade	2,072	2.0%	1,473	1.7%	40.7%
Changes in inventories of stock-in-trade	(67)	(0.1%)	(67)	(0.1%)	0.0%
Employee benefits expense	55,280	54.5%	46,130	53.9%	19.8%
Outsourcing costs	14,950	14.7%	12,515	14.6%	19.5%
Finance costs	353	0.3%	319	0.4%	10.7%
Depreciation and amortization expense	4,145	4.1%	4,326	5.1%	(4.2%)
Other expenses	6,593	6.5%	5,070	5.9%	30.0%
Total expenses	**83,326**	**82.1%**	**69,766**	**81.5%**	**19.4%**
Profit before share of loss of associates and tax	19,488	19.2%	16,952	19.8%	15.0%
Share of loss of an associate	-	0.0%	(1)	(0.0%)	(100.0%)
Profit before tax	19,488	19.2%	16,951	19.8%	15.0%
Tax expense					
Current tax	4,665	4.6%	3,442	4.0%	
Deferred tax charge	(22)	(0.0%)	(14)	(0.0%)	
Total tax expense	4,643	4.6%	3,428	4.0%	35.4%
Profit after tax	**14,845**	**14.6%**	**13,523**	**15.8%**	**9.8%**
Non- controlling interest	6	0.0%	(24)	(0.0%)	(125.0%)
Profit for the year	**14,851**	**14.6%**	**13,499**	**15.8%**	**10.0%**

Income

Revenues from operations

Comprises revenue from the sale of services and the sale of hardware and software.

Revenue from operations in the year ended 31 March 2023 increased by 18.5% to ₹101,456 crores from ₹85,651 crores in the year ended 31 March 2022. This increase is primarily due to business growth in the IT and Business Services (ITBS) segment and Engineering and R&D Services (ERS) segment.

Segment-wise breakup of revenues

The following table sets forth the revenue generated from each of our business segments and their respective percentage of our total revenue for the year:

(in ₹ Crores)

	Year ended				
	31 March 2023		31 March 2022		
Segment	Amount	% of total	Amount	% of total	% Increase
IT and Business Services	74,015	73.0%	61,711	72.1%	19.9%
Engineering and R&D services	16,802	16.5%	13,564	15.8%	23.9%
HCLSoftware	11,109	11.0%	10,791	12.6%	2.9%
Inter-segment	(470)	(0.5%)	(415)	(0.5%)	13.3%
Total Revenue	**101,456**	**100.0%**	**85,651**	**100.0%**	**18.5%**

1. In view of certain internal reorganization, revenue relating to certain software products internally developed and earlier managed by IT and Business Services, are being reported in HCLSoftware (Previously Products & Platforms) segment. Prior period figures have also been restated.
2. Inter-segment revenue is related to products and services of HCLSoftware used by Services business in rendering services to their customers.

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)

	Year ended				
	31 March 2023		31 March 2022		
Geographical Mix	Amount	% of total	Amount	% of total	% Increase
America	57,818	57.0%	48,205	56.3%	19.9%
Europe	26,868	26.5%	22,972	26.8%	17.0%
India*	3,935	3.9%	3,104	3.6%	26.8%
Rest of the world	12,835	12.6%	11,370	13.3%	12.9%
Total Service Revenue	**101,456**	**100.0%**	**85,651**	**100.0%**	**18.5%**

* Includes revenue billed to India based captive of global clients.

Other Income

The details of Other Income are as follows:

(in ₹ Crores)

	Year ended		
Other Income	**31 March 2023**	**31 March 2022**	**% Increase**
Interest income	769	584	
Income on mutual funds	110	94	
Profit on sale of debt securities	-	10	
Exchange differences (net)	91	328	
Profit on sale of property, plant and equipment (net)	162	15	
Gain on buyback of senior notes	170	-	
Others	56	36	
Total	**1,358**	**1,067**	**27.3%**

Other income increased by 27.3% to ₹1,358 crores in the year ended 31 March 2023 from ₹1,067 crores in the year ended 31 March 2022. This increase is primarily due to higher interest income by ₹185 crores largely on account of higher realized return on treasury investment, increase in profit on sale of property, plant and equipment (net) by ₹147 crores and gain of ₹170 crores on buy back of senior notes partially netted off by lower exchange gain of ₹237 crores from last year.

Expenses

Employee benefits expense

Employee benefit expenses include salaries that have fixed and variable components, and contributions to retirement and pension plans. It also includes expenses incurred on staff welfare.

(in ₹ Crores)

	Year ended				
	31 March 2023		31 March 2022		
Particulars	**Amount**	**% Revenue**	**Amount**	**% Revenue**	**% Increase**
Salaries, wages and bonuses	48,717	48.0%	40,494	47.3%	20.3%
Contribution to provident fund and other employee benefits	6,041	6.0%	5,382	6.3%	12.2%
Share based payments to employees	308	0.3%	81	0.1%	280.2%
Staff welfare expenses	214	0.2%	173	0.2%	23.7%
Total	**55,280**	**54.5%**	**46,130**	**53.9%**	**19.8%**

Employee benefit expense has increased by 19.8% to ₹55,280 crores in the year ended 31 March 2023 from ₹46,130 crores in the year ended 31 March 2022. The increase is primarily due to an increase in number of employees (225,944 as of 31 March 2023 compared with 208,877 as of 31 March 2022); and an increase in the average cost per employee due to normal salary revisions, skill-based incentives, and exchange impact on depreciation of INR against foreign currencies as significant cost is getting incurred outside India.

Outsourcing expenses

Outsourcing expense includes outsourcing of several client-related activities such as hosting services, facilities management, disaster recovery, maintenance, and break fix services, and hiring of third-party consultants from time to time to supplement the in-house teams.

Outsourcing expense increased by 19.5% to ₹14,950 crores in the year ended 31 March 2023 from ₹12,515 crores in the year ended 31 March 2022. This increase in the current year is primarily due to an increase in outsourcing of client-related activities and exchange impact on depreciation of INR against foreign currencies as major cost is getting incurred outside India.

Finance costs

Finance costs comprises interest on loans from banks, interest on senior notes, interest on lease liabilities, interest on direct taxes, other interest, and fair value changes on liabilities carried at fair value through profit and loss and bank charges.

Finance costs increased by 10.7% to ₹353 crores in the year ended 31 March 2023 from ₹319 crores in the year ended 31 March 2022. This increase is primarily on account of interest cost on working capital management partially netted off with decrease in fair value changes on liabilities carried at fair value through profit and loss.

Depreciation and amortization expense

Depreciation and amortization expense decreased by 4.2% to ₹4,145 crores in the year ended 31 March 2023 from ₹4,326 crores in the year ended 31 March 2022. This decrease is primarily due to lower amortization on intangibles by ₹244 crores (mainly on acquired intangibles: licensed IPRs and customer relationships), partially netted of with increase in depreciation on right-of-use assets by ₹38 crores.

Other expenses

(in ₹ Crores)

	Year ended				
	31 March 2023		31 March 2022		
Particulars	**Amount**	**% Revenue**	**Amount**	**% Revenue**	**% Increase**
Travel and conveyance	1,235	1.2%	555	0.6%	122.5%
Software license fee	1,037	1.0%	916	1.1%	13.2%
Repairs and maintenance	764	0.8%	626	0.7%	22.0%
Recruitment, training and development	552	0.5%	517	0.6%	6.8%
Legal and professional charges	547	0.5%	539	0.6%	1.5%
Communication costs	502	0.5%	466	0.5%	7.7%
Power and fuel	328	0.3%	291	0.3%	12.7%
Expenditure toward corporate social responsibility activities	240	0.2%	219	0.3%	9.6%
Rates and taxes	227	0.2%	127	0.1%	78.7%
Insurance	109	0.1%	109	0.1%	0.0%
Rent	67	0.1%	70	0.1%	(4.3%)
Provision for doubtful debts / bad debts written off (net)	25	0.0%	21	0.0%	19.0%
Others	960	0.9%	614	0.7%	56.4%
Total	**6,593**	**6.5%**	**5,070**	**5.9%**	**30.0%**

Other expenses increased by 30.0% to ₹6,593 crores in the year ended 31 March 2023 from ₹5,070 crores in the year ended 31 March 2022. The increase in costs is primarily due to an increase in travel and conveyance expenses by ₹680 crores post relaxation in COVID-19 travel restrictions, software license fee by ₹121 crores, rates and taxes by ₹100 crores and other expenses.

Tax expenses

Tax expenses comprises current tax and deferred tax.

(in ₹ Crores)

Particulars	31 March 2023	31 March 2022
Profit before tax	19,488	16,951
Total tax expense	4,643	3,428
Effective tax rate	23.8%	20.2%

Tax expenses include current tax and deferred tax expense. Increase in tax expense for the year ended 31 March 2023 is primarily due to increase in effective tax rate primarily due to increase in ratio of taxable to tax-exempt profits in SEZ units in India during the period and settlement of uncertain tax positions in favor of the company in comparative period.
[for details refer to note no 3.25 to the consolidated financial statement].

Financial position

(in ₹ Crores)

Particulars	31 March 2023	31 March 2022
Assets		
(a) Property, plant and equipment	5,371	5,612
(b) Capital work in progress	40	129
(c) Right-of-use assets	2,337	2,305
(d) Goodwill	18,567	17,417
(e) Other intangible assets	8,344	9,743
(f) Other non-current assets	5,175	5,786
(g) Current assets	53,577	48,041
Total assets	**93,411**	**89,033**
Equity		
(a) Equity share capital	543	543
(b) Other equity	64,855	61,463
Total equity	**65,398**	**62,006**
Liabilities		
(a) Non - current liabilities	6,582	8,252
(b) Current liabilities	21,431	18,775
Total equity & liabilities	**93,411**	**89,033**

Other equity comprises other equity attributable to shareholders of the Group and non-controlling interest.

Property, plant and equipment

Property, plant and equipment net of depreciation as of 31 March 2023 is ₹5,371 crores (compared with ₹5,612 crores as of 31 March 2022). The decrease was primarily due to depreciation for the year of ₹1,478 crores (computer and networking equipment of ₹1,017 crores and the balance of other assets) offset with the addition (net of disposal) during the year of ₹1,195 crores.

Right-of-use assets

Right-of-use assets net of depreciation as of 31 March 2023 is ₹2,337 crores (compared with ₹2,305 crores as of 31 March 2022).

Goodwill and intangible assets

Goodwill as of 31 March 2023 is ₹18,567 crores (compared with ₹17,417 crores as of 31 March 2022). The increase was due to acquisitions through business combinations by ₹523 crores and currency translation by ₹627 crores. [For details refer to note no 3.2 to the consolidated financial statement].

Intangible assets as of 31 March 2023 are ₹8,344 crores (compared with ₹9,743 crores as of 31 March 2022). The decrease was primarily due to amortization of ₹1,955 crores during the year partly offset by addition of intangibles by ₹193 crores (Software ₹136 crores and balance other assets) and acquisitions through business combinations of ₹258 crores (Customer relationships of ₹130 crores and the balance of other assets).

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 corporate and financial institutions and investments in debt mutual funds and debt securities, with a limit on investments with any individual bank/fund.

Breakup of treasury investments is given below

(in ₹ Crores)

Particulars	31 March 2023	31 March 2022
Debt mutual funds	1,784	2,456
Debt securities	3,601	3,783
Deposits with banks	9,827	4,847
Deposits with corporation and financial institution	2,602	3,208
Total	**17,814**	**14,294**

Current and other non-current assets excluding treasury investments

"Other non-current assets" comprises deferred tax assets (net), and financial and other assets.
"Current assets" comprises inventories, tax assets(net), and financial and other assets.

(in ₹ Crores)

Particulars	31 March 2023	31 March 2022
Other non-current assets	5,175	5,786
Current assets	53,577	48,041
Total	58,752	53,827
Less: Treasury investments	17,814	14,294
Total	**40,938**	**39,533**

Current and other non-current assets, excluding treasury investments increased by ₹1,405 crores to ₹40,938 crores as of 31 March 2023 from ₹39,533 crores as of 31 March 2022. The increase is primarily on account of an increase in trade receivables by ₹4,444 crores partially netted off with decrease in unrealized gain on derivative financial instruments by ₹407 crores.

Shareholders' fund

The equity attributable to shareholders of the Group is ₹65,405 crores as of 31 March 2023 (compared with ₹61,914 crores as of 31 March 2022). The increase is primarily due to profit during the year by ₹14,851 crores partially netted off by payment of dividend by ₹12,995 crores.

Borrowings

(in ₹ Crores)

Particulars	31 March 2023	31 March 2022
Long-term borrowings		
- From banks	51	164
- From senior notes*	2,060	3,759
Current maturities of long-term borrowings	140	62
Total	**2,251**	**3,985**

*On 10 March 2021, the Group through its wholly owned subsidiary had issued senior notes, due 2026, of USD 500 million listed on Singapore Exchange Securities Trading Limited (SGX-ST). During the year, the Group bought back USD 248 million senior notes (carried at USD 246 million, net of issue expenses and discount) for USD 225 million (₹1,814 crores). The resulting gain of USD 21 million (₹170 crores) on derecognition of senior notes has been recognized in "other income".

Non-current and current liabilities

"Non-current liabilities" comprises provisions, deferred tax liabilities (net), financial and other liabilities.
"Current liabilities" comprises provisions, tax liabilities (net), and financial and other liabilities.

(in ₹ Crores)

Particulars	31 March 2023	31 March 2022
Non-current liabilities	6,582	8,252
Current liabilities	21,431	18,775
Total	28,013	27,027
Less: Borrowings	2,251	3,985
Total	**25,762**	**23,042**

Current and non-current liabilities, excluding borrowings, increased by ₹2,720 crores to ₹25,762 crores as of 31 March 2023 from ₹23,042 crores as of 31 March 2022. The increase is primarily on account of an increase in current tax liabilities by ₹812 crores, contract liabilities by ₹663 crores, accrued salaries and benefits by ₹410 crores and trade payables by ₹150 crores.

Cash flows

A summary of the cash flow statement is given below:

(in ₹ Crores)

		Year ended	
Particulars		**31 March 2023**	**31 March 2022**
Net cash flows from operating activities	(A)	18,009	16,900
Net cash flow from (used in) investing activities	(B)	(3,931)	1,477
Net cash flows used in financing activities	(C)	(15,881)	(14,508)
Net increase in cash and cash equivalents	(A)+(B)+(C)	(1,803)	3,869
Effect of exchange differences on cash and cash equivalents held in foreign currency		358	120
Cash and cash equivalents at the end of the year		**9,065**	**10,510**

Net cash flows from operating activities

Net cash generated from operating activities was ₹18,009 crores during the year ended 31 March 2023, consisting of profit before tax of ₹19,488 crores, adjusted for: non-cash and non-operating items which are primarily depreciation and amortization of ₹4,145 crores, and interest income of ₹(769) crores; and cash used in net working capital of ₹1,305 crores which was primarily driven by movement in trade receivables and cash used to pay taxes (net of refund), which was ₹3,698 crores.

Net cash generated from operating activities was ₹16,900 crores during the year ended 31 March 2022, consisting of profit before tax of ₹16,951 crores, adjusted for: non-cash and non-operating items which are primarily depreciation and amortization expenses of ₹4,326 crores, and interest income of ₹(583) crores; and cash used in net working capital of ₹549 crores, which was primarily driven by movement in trade receivables and cash used to pay taxes (net of refund), which was ₹3,443 crores.

Net Cash flows from (used in) investing activities

Net cash used in investing activities was ₹3,931 crores for the year ended 31 March 2023. This was primarily due to net amount of placement of bank and corporate deposits of ₹3,256 crores, net amount of purchase and sale of property, plant and equipment and intangibles of ₹1,444 crores, Payments for business acquisitions (net of cash acquired) of ₹706 crores partially offset with net amount of maturity/sale and purchase of investment in securities of ₹1,006 crores, interest received of ₹636 crores.

Net cash flow from investing activities was ₹1,477 crores for the year ended 31 March 2022. This was primarily due to net amount of maturity/redemption and placement of bank and corporate deposits of ₹1,874 crores, net amount of maturity/sale and purchase of investment in securities of ₹641 crores, interest received of ₹590 crores partially offset with net amount of purchase and sale of property, plant and equipment and intangibles of ₹1,555 crores.

Net Cash flow used in financing activities

Net cash used in financing activities was ₹15,881 crores for the year ended 31 March 2023, primarily comprising payment of dividends of ₹12,995 crores, net payment of borrowings ₹1,848 crores and payment of lease liabilities including interest of ₹927 crores.

Net cash used in financing activities was ₹14,508 crores for the year ended 31 March 2022, primarily comprising payment of dividends of ₹11,391 crores, payment of lease liabilities including interest of ₹1,067 crores, acquisition of treasury shares of ₹804 crores, and acquisition of non-controlling interest in the Actian corporation for ₹746 crores.

Key financial ratios

Ratio	Numerator	Denominator	Year ended			
			Units	31 March 2023	31 March 2022	% variation
Operating profit ratio	Revenue from operations less all operating expenses (refer note 1 below)	Revenue from operations	%	18.2	18.9	(4%)
Net profit ratio	Profit for the year	Revenue from operations	%	14.6	15.8	(8%)
Return on net worth ratio	Profit after tax	Average total equity	%	23.3	22.2	5%
Current ratio	Current assets	Current liabilities	Times	2.5	2.6	(4%)
Trade receivable turnover ratio	Revenue from operations	Average trade receivables	Times	4.2	4.2	-
Inventory turnover ratio	Cost of good sold (refer note 2 below)	Average inventories	Times	10.3	11.0	(6%)
Interest coverage ratio	Earning before Interest expenses and taxes	Interest expenses	Times	61.3	69.6	(12%)
Debt equity ratio	Total debt (refer note 3 below)	Total equity	Times	0.1	0.1	-

Notes:

1) All operating expenses means total expenses minus finance costs.
2) Cost of goods sold includes purchase of stock in trade and change in inventories of stock-in-trade.
3) Total debts include lease liabilities.
4) Average is calculated based on simple average of opening and closing balances.

Return on net worth

Return on net worth at 23.3% in FY23 is higher compared with 22.2% in FY22 primarily on account of higher profit earned by the Group during the year.

Standalone Results

Standalone results of HCL excludes the performance of its subsidiaries.

The discussion in the paragraphs that follow should be read in conjunction with the financial statements and related notes to the standalone results of HCL Technologies Limited (herein referred to as "HCL" or "the Company") for the year ended 31 March 2023, prepared in accordance with the Indian Accounting Standard (referred to as "Ind AS"), prescribed under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standard) rules as amended from time to time.

(in ₹ Crores)

	Year ended				
	31 March 2023		31 March 2022		
Particulars	**Amount**	**% Revenue**	**Amount**	**% Revenue**	**% Growth**
Revenue from operations	46,276	100.0%	40,638	100.0%	13.9%
Other income	1,031	2.2%	880	2.2%	17.2%
Total income	**47,307**	**102.2%**	**41,518**	**102.2%**	**13.9%**
Expenses :					
Purchase of stock-in-trade	168	0.4%	155	0.4%	8.4%
Change in inventories of stock-in-trade	(12)	(0.0%)	(5)	(0.0%)	
Employee benefit expense	19,799	42.8%	15,872	39.1%	24.7%
Outsourcing costs	7,291	15.8%	7,277	17.9%	0.2%
Finance cost	127	0.3%	109	0.3%	16.5%
Depreciation and amortization expense	2,431	5.3%	2,615	6.4%	(7.0%)
Other expenses	2,787	6.0%	2,227	5.5%	25.1%
Total Expenditure	**32,591**	**70.4%**	**28,250**	**69.5%**	**15.4%**
Profit before tax	14,716	31.8%	13,268	32.6%	10.9%
Tax expense:					
Current tax	3,045	6.6%	2,464	6.1%	
Deferred tax charge	212	0.5%	(70)	(0.2%)	
Total tax expense	3,257	7.0%	2,394	5.9%	36.0%
Profit after tax	**11,459**	**24.8%**	**10,874**	**26.8%**	**5.4%**

Financial position (Standalone)

(in ₹ Crores)

	31 March 2023	31 March 2022
Assets		
(a) Property, plant and equipment	3,727	3,894
(b) Capital work in progress	21	79
(c) Right-of-use assets	824	875
(d) Goodwill	6,549	6,550
(e) Other intangible assets	6,835	8,205
(f) Other non-current assets	6,833	6,933
(g) Current assets	28,571	26,887
Total assets	**53,360**	**53,423**
Equity		
(a) Equity share capital	543	543
(b) Other equity	40,561	42,048
Total equity	**41,104**	**42,591**
Liabilities		
(a) Non-current liabilities	1,589	1,789
(b) Current liabilities	10,667	9,043
Total equity and liabilities	**53,360**	**53,423**

Current and other non-current assets excluding treasury investments

“Other non-current assets” comprises deferred tax assets (net), and financial and other assets.
“Current assets” comprises inventories, tax assets(net), and financial and other assets.

(in ₹ Crores)

Particulars	31 March 2023	31 March 2022
Other non-current assets	6,833	6,933
Current assets	28,571	26,887
Total	35,404	33,820
Less: Treasury investments	13,947	13,691
Total	**21,457**	**20,129**

Current and other non – current assets, excluding treasury assets increased by ₹1,328 crores to ₹21,457 crores as of 31 March 2023 from ₹20,129 crores as of 31 March 2022; the increase is primarily on account of an increase in trade receivables by ₹1,791 crores partially netted off with decrease in unrealized gain on derivative financial instruments by ₹427 crores.

Current and non-current liabilities

“Non-current liabilities” comprises provisions, deferred tax liabilities (net), and financial and other liabilities.
“Current liabilities” comprises provisions, tax liabilities (net), and financial and other liabilities.

(in ₹ Crores)

Particulars	31 March 2023	31 March 2022
Non - current liabilities	1,589	1,789
Current liabilities	10,667	9,043
Total	12,256	10,832
Less Borrowings	191	226
Total	**12,065**	**10,606**

Current and non-current liabilities, excluding borrowings, increased by ₹1,459 crores to ₹12,065 crores as of 31 March 2023 from ₹10,606 crores as of 31 March 2022, the increase is primarily on account of increase in trade payables by ₹570 crores and contract liabilities by ₹489 crores.

Cash flows (Standalone)

A summary of the cash flow statement is given below:

(in ₹ Crores)

Particulars		Year ended 31 March 2023	Year ended 31 March 2022
Net cash flows from operating activities	(A)	13,538	10,591
Net cash flow from (used in) investing activities	(B)	(798)	2,232
Net cash flows used in financing activities	(C)	(13,267)	(12,775)
Net increase in cash and cash equivalents	(A)+(B)+(C)	(527)	48
Effect of exchange differences on cash and cash equivalents held in foreign currency		(6)	(17)
Cash and cash equivalents at the end of the year		**2,374**	**2,907**

Net cash flow from operating activities

Net cash generated from operating activities was ₹13,538 crores during the year ended 31 March 2023, consisting of profit before tax of ₹14,716 crores, adjusted for: non-cash and non-operating items which are primarily depreciation and amortization expenses of ₹2,431 crores, interest income of ₹(558) crores; and cash used in net working capital of ₹349 crores and payment of tax of ₹2,532 crores.

Net cash generated from operating activities was ₹10,591 crores during the year ended 31 March 2022, consisting of profit before tax of ₹13,268 crores, adjusted for: non-cash and non-operating items which are primarily depreciation and amortization expenses of ₹2,615 crores, interest income of ₹(492) crores; and cash used in net working capital of ₹2,443 crores and payment of tax of ₹2,282 crores.

Net cash flows from (used in) investing activities

Net cash used in investing activities was ₹798 crores for the year ended 31 March 2023. This was primarily due to net investment in bank deposits of ₹2,293 crores and net purchase of property, plant and equipment and intangibles of ₹593 crores partially netted off with proceeds from the sale/maturity of investments in securities of ₹1,085 crores and maturity of deposits placed with body corporates of ₹606 crores.

Net cash flows from investing activities was ₹2,232 crores for the year ended 31 March 2022. This was primarily due to proceeds from the sale/maturity of investments in securities of ₹637 crores, maturity of deposits placed with body corporates of ₹1,633 crores, maturity of bank deposits ₹237 crores and interest received of ₹504 crores partially netted off with net purchase of property, plant and equipment and intangibles of ₹747 crores.

Net cash flow used in financing activities

Net cash used in financing activities was ₹13,267 crores for the year ended 31 March 2023, primarily comprising payment of dividends of ₹12,995 crores and payment of lease liabilities including interest of ₹221 crores.

Net cash used in financing activities was ₹12,775 crores for the year ended 31 March 2022, primarily comprising payment of dividends of ₹11,389 crores, acquisition of treasury shares of ₹804 crores, payments for deferred consideration on business acquisitions of ₹371 crores and payment of lease liabilities including interest of ₹207 crores.

Key financial ratios (Standalone)

Ratio	Numerator	Denominator	Units	Year ended 31 March 2023	Year ended 31 March 2022	% variation
Operating profit ratio	Revenue from operations less all operating expenses (refer note 1 below)	Revenue from operations	%	29.8	30.8	(3%)
Net profit ratio	Profit for the year	Revenue from operations	%	24.8	26.8	(7%)
Return on net worth ratio	Profit after tax	Average total equity	%	27.4	25.2	9%
Current ratio	Current assets	Current liabilities	Times	2.7	3.0	(10%)
Trade receivable turnover ratio	Revenue from operations	Average trade receivables	Times	3.8	3.9	(3%)
Inventory turnover Ratio	Cost of good sold (refer note 2 below)	Average inventories	Times	5.4	7.3	(26%)
Interest coverage ratio	Earning before interest expense and taxes	Interest expenses	Times	126.8	129.8	(2%)
Debt equity ratio	Total debt (refer note 3 below)	Total equity	Times	0.0	0.0	-

Notes:

1) All operating expenses means total expenses minus finance costs.
2) Cost of goods sold includes purchase of stock in trade and change in inventories of stock-in-trade.
3) Total debts include lease liabilities.
4) Average is calculated based on simple average of opening and closing balances.

In addition to return on net worth variations have been explained for ratios with significant variations.

Return on net worth

Return on net worth at 27.4% in FY23 higher as compared to 25.2% in FY22 primarily on account of higher profit earned by the company during the year.

Inventory turnover Ratio

Inventory turnover Ratio has decreased from 7.3 times in FY22 to 5.4 times in FY23 primarily due to increase in year-end inventory by 12 crores.

Directors' Report and Financial Performance

DIRECTORS' REPORT

Dear Members,

Your Directors have immense pleasure in presenting the **Thirty-First Directors' Report** of HCL Technologies Limited ("HCLTech" or the "Company") together with the Audited Financial Statements for the Financial Year ("FY") ended March 31, 2023.

1. FINANCIAL RESULTS

Key highlights of the financial results of your Company prepared as per the Indian Accounting Standards ("Ind AS") for the financial year ended March 31, 2023 are as under:

(₹ in crores)

Particulars	Consolidated		Standalone	
	FY ended		FY ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Revenue from operations	1,01,456	85,651	46,276	40,638
Other income	1,358	1,067	1,031	880
Total Income	1,02,814	86,718	47,307	41,518
Total Expenses	83,326	69,766	32,591	28,250
Profit before tax	19,488	16,951	14,716	13,268
Tax Expense	4,643	3,428	3,257	2,394
Profit for the year	14,845	13,523	11,459	10,874
Other comprehensive income	1,301	757	(259)	277
Total comprehensive income for the year	16,146	14,280	11,200	11,151
Earnings per share of ₹2 each				
Basic (in ₹)	54.85	49.77	42.32	40.10
Diluted (in ₹)	54.79	49.77	42.27	40.09

2. BUSINESS OVERVIEW AND STATE OF AFFAIRS

The Company is committed in bringing together the best of technology and its people to empower enterprises and supercharge their digital transformation journeys. The Company has a robust ecosystem of strategic partners with access to best-in-class technologies and has created a global footprint of cutting-edge innovation labs. These combined with the global delivery capabilities allow the Company to help clients to stay ahead of the curve. The Company's commitment to innovation excellence is demonstrated in its leadership positioning in all the six Gartner IT Services Magic Quadrants.

The Company's differentiated portfolio across IT and Business Services ("ITBS"), Engineering and R&D Services ("ERS"), and Products and Platforms ("P&P") serves clients across all major industry verticals including Financial Services, Manufacturing, Life Sciences & Healthcare, Technology & Services, Telecom & Media, Retail & CPG, and Public Services.

The Company has rolled out a refreshed brand identity with a new 'HCLTech' logo and a distinct brand positioning 'Supercharging Progress' to reflect its commitment to clients, people, communities and the planet. The new 'HCLTech' brand and logo is at the heart of the Company's global go-to-market strategy and drives the new Employee Value Proposition ("EVP") – 'Find Your Spark'.

In a digital-first world driven by technologies like 5G, AI and metaverse, the Company is well positioned to leverage the growing demand for technology services and products.

On a consolidated basis, the Company's revenue from operations for the financial year under review was ₹1,01,456 crores, as against ₹85,651 crores for the previous financial year. The profit for the financial year under review was ₹14,845 crores, as against ₹13,523 crores for the previous financial year.

On a standalone basis, the Company's revenue from operations for the financial year under review was ₹46,276 crores, as against ₹40,638 crores for the previous financial year. The profit for the financial year under review was ₹11,459 crores, as against ₹10,874 crores for the previous financial year.

The state of affairs of the Company is presented as part of the Management Discussion and Analysis Report forming part of the Annual Report for FY 2022-23.

3. DIVIDEND

The Board of Directors has declared the following interim dividends that were paid during the financial year under review:

S. No.	Dividend declared during FY 2022-23	Date of declaration	Rate of Dividend per Share (face value of ₹2 each)	Dividend amount* (₹ in crores)
1	1st Interim Dividend	April 21, 2022	18.00	4,873
2	2nd Interim Dividend	July 12, 2022	10.00	2,707
3	3rd Interim Dividend	October 12, 2022	10.00	2,707
4	4th Interim Dividend	January 12, 2023	10.00	2,707
			Total	**12,994**

***Note:** *The dividend amount shown is the gross amount before deduction of tax at source by the Company. Total tax deducted at source was approx. ₹1,236 crores.*

The financial results for the quarter and financial year ended March 31, 2023 were approved by the Board of Directors ("Board") in its meeting held on April 19-20, 2023. In the said meeting, the Board declared an interim dividend of ₹18/- per share for FY 2023-24. The Board did not recommend final dividend for the financial year ended March 31, 2023.

4. TRANSFER TO RESERVES

The closing balance of the retained earnings of the Company, on a standalone basis, as on March 31, 2023, after all appropriations and adjustments was ₹36,490 crores.

For complete details on movement in Reserves and Surplus during the financial year under review, please refer to the Statement of changes in Equity included in the Standalone and Consolidated financial statements of the Company for FY 2022-23.

5. SHARE CAPITAL

During the financial year under review, the Company has not issued any equity shares. As on March 31, 2023, the Authorised share capital of the Company was ₹603,40,00,000/- divided into 301,70,00,000 equity shares of face value of ₹2 each.

The Issued, Subscribed and Paid-up equity share capital of the Company as on March 31, 2023 was ₹542,73,30,192/- divided into 271,36,65,096 equity shares of face value of ₹2 each.

6. BUY BACK OF USD DENOMINATED UNSECURED NOTES ISSUED BY A WHOLLY OWNED SUBSIDIARY

During FY 2020-21, HCL America Inc., a step-down wholly owned subsidiary of the Company, incorporated under the laws of California had issued USD 500 million fixed rate, senior secured notes ("Notes") with a maturity date of March, 2026 and bearing interest rate of 1.375% per annum. The Notes were unconditionally and irrevocably guaranteed by the Company. The Company's aggregate potential liability under the guarantee was capped at USD 525 million which was 105% of the total aggregate principal amount of the Notes.

During FY 2022-23, HCL America Inc. through cash tender offer bought back its Notes of the principal amount of USD 247.793 million. Post this buyback, the aggregate principal amount of Notes that remain outstanding are USD 252.207 million. Accordingly, the Company's aggregate potential liability for the Notes has been reduced to USD 264.817 million which is 105% of the total aggregate principal amount of the Notes outstanding.

7. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report in terms of Regulation 34(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), is attached and form part of the Annual Report of the Company for FY 2022-23.

8. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

As on March 31, 2023, the Company has 122 subsidiaries and 6 associate companies within the meaning of Sections 2(87) and 2(6) of the Companies Act, 2013 ("Act") respectively. During the financial year under review, there has been no material change in the nature of business of the subsidiaries.

<u>Incorporation of new Subsidiary during the financial year under review</u>

HCL Technologies Jigani Limited was incorporated in India under the Act.

<u>Acquisitions done during the financial year under review</u>

i) Starschema Kereskedelmi és Szolgáltató Korlátolt Felelősségű Társaság (Starchema Kft.)

The Company's step-down wholly owned subsidiary, HCL Technologies Starschema Kft. (formerly known as HCL Hungary Kft.) acquired 100% stake in Starschema Kft., a limited liability company incorporated in Hungary. Starschema Kft. is one of the leading data engineering services firms in Eastern Europe with delivery presence in Hungary and some part of the United States. Pursuant to this acquisition, Starschema Kft. and all its subsidiaries have become the step-down wholly owned subsidiaries of the Company with effect from April 2, 2022, being the date of completion of the acquisition.

ii) Confinale AG

The Company's step-down wholly owned subsidiary, HCL Technologies UK Limited, acquired 100% stake in Confinale AG, a Swiss digital banking and wealth management consulting company. Its primary business is to implement wealth management solutions using Avaloq platform and proprietary add-on products. It is focused on technology services in certain specialized areas in the banking sector. The entire share capital of Confinale AG was earlier held by Manzina Tech GmbH. HCL Technologies UK Limited acquired 100% stake in Manzina Tech GmbH. Pursuant to this acquisition, Manzina Tech GmbH and all its subsidiaries have become the step-down wholly owned subsidiaries of the Company with effect from May 31, 2022, being the date of completion of the acquisition.

iii) Quest Informatics Private Limited

The Company's wholly owned subsidiary, Sankalp Semiconductor Private Limited, acquired 100% stake in Quest Informatics Private Limited ("Quest"), a company incorporated in India. Quest is an after-market digital transformation company catering the automotive and construction equipment industries in the after-market ERP space with their products and professional services. Pursuant to this acquisition, Quest has become a step-down wholly owned subsidiary of the Company with effect from July 12, 2022, being the date of completion of the acquisition.

Subsidiaries merged / closed during the financial year under review

The Company has subsidiaries in various countries. The Company's endeavour is to achieve organisational efficiency by optimising resources and managing costs. Accordingly, after taking into consideration the business aspects, local laws and regulations, etc., the Company takes appropriate actions for internal restructuring by integrating businesses amongst subsidiaries so as to reduce the number of entities.

Considering the above, the following step-down wholly owned subsidiaries of the Company were merged / closed during FY 2022-23:

i) Point to Point Limited (incorporated in United Kingdom) was voluntarily dissolved on April 5, 2022.

ii) Axon Solutions Pty. Limited (incorporated in New South Wales, Australia) was liquidated on June 11, 2022.

iii) Point to Point Products Limited (incorporated in United Kingdom) was voluntarily dissolved on June 21, 2022.

iv) HCL Technologies SEP Holdings Inc. (incorporated in Delaware, USA) was merged with and into HCL America Inc. (incorporated in California, USA) w.e.f. September 1, 2022.

v) CeleritiFintech Services Italy S.R.L. (incorporated in Milano, Italy) was liquidated on October 17, 2022.

vi) Sankalp USA, Inc. (incorporated in California, USA) was voluntarily dissolved on December 12, 2022.

vii) Actian Netherlands BV (incorporated in Amsterdam, The Netherlands) was liquidated on December 28, 2022.

viii) Starchema Kft. (incorporated in Budapest, Hungary) was merged with and into HCL Technologies Starschema Kft. (formerly known as HCL Hungary Kft. and incorporated in Budapest, Hungary) w.e.f. December 31, 2022.

Financial Statement of the Subsidiaries

As per the first proviso to Section 129(3) of the Act, a statement containing salient features of the financial statements of the Company's subsidiaries, associates and joint ventures in Form AOC-1 shall form part of the Annual Report for FY 2022-23.

In accordance with the provisions of Section 136 of the Act and Regulation 46 of the Listing Regulations, the standalone and consolidated financial statements of the Company along with relevant documents for FY 2022-23 would be available on the website of the Company at https://www.hcltech.com/investors/results-reports.

The financial statements in respect of the subsidiaries for FY 2022-23 would be available at the Company's website at https://www.hcltech.com/investors/subsidiaries-financials.

9. MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF THE REPORT

There have been no material changes and commitments, which affect the financial position of the Company, that have occurred between the end of the financial year to which the financial statements relate and the date of this Report.

10. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The composition of the Board of Directors is in accordance with the provisions of Section 149 of the Act and Regulation 17 of the Listing Regulations, with an optimum combination of Executive Director, Non-Executive Non-Independent Directors, Independent Directors and Women Directors.

Details of the composition of the Board of Directors, appointments / re-appointments during the financial year under review, director retiring by rotation and details of declaration by Independent Directors have been provided in the Corporate Governance Report.

During the year under review, there were no changes in the Key Managerial Personnel of the Company.

11. NUMBER OF MEETINGS OF THE BOARD

During the financial year under review, five meetings of the Board of Directors were held. The details of the meetings are provided in the Corporate Governance Report.

12. BOARD COMMITTEES

The Company has the following Board Committees:

i) Audit Committee
ii) Nomination and Remuneration Committee
iii) Stakeholders' Relationship Committee
iv) Risk Management Committee
v) Corporate Social Responsibility Committee
vi) Finance Committee
vii) ESG & Diversity Equity Inclusion Committee

Details of the composition of the Committees, their terms of reference, attendance of Directors at meetings of the Committees and other requisite details are provided in the Corporate Governance Report.

13. BOARD EVALUATION

The Annual Performance Evaluation of the Board, its Committees, the Chairperson of the Board and the individual Directors was undertaken by the Board of Directors / Independent Directors in terms of the provisions of the Act and the Listing Regulations. The evaluation was carried out in terms of the framework and criteria of evaluation as approved by the Nomination and Remuneration Committee of the Company. The process and criteria of evaluation is explained in the Corporate Governance Report.

14. STATUTORY AUDITORS AND STATUTORY AUDIT REPORT

M/s. B S R & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 101248W/W-100022) were appointed as the Statutory Auditors of the Company in the Twenty-Seventh Annual General Meeting ("AGM") of the Company held on

August 6, 2019 for a term of five consecutive years from the conclusion of the said AGM till the conclusion of the Thirty Second AGM to be held in the year 2024.

There are no qualifications, reservations, adverse remarks or disclaimer made by M/s. B S R & Co. LLP, Statutory Auditors in their report for FY 2022-23. The Statutory Auditor have not reported any incident of fraud to the Audit Committee of the Company during the financial year under review.

15. SECRETARIAL AUDITORS AND SECRETARIAL AUDIT REPORT

In terms of Section 204 of the Act, M/s. Chandrasekaran Associates, Practicing Company Secretaries were appointed as the Secretarial Auditors of the Company for FY 2022-23. The report of the Secretarial Auditor is enclosed as Annexure 1 to this Report. There are no qualifications, reservations, adverse remarks or disclaimer made by the Secretarial Auditor in their report. The Secretarial Auditors have not reported any incident of fraud during the financial year under review.

16. MAINTENANCE OF COST RECORDS

The maintenance of cost records and requirement of cost audit as prescribed by the Central Government under the provisions of Section 148(1) of the Act are not applicable to the business activities carried out by the Company. Accordingly, such cost accounts and records are not maintained by the Company.

17. ANNUAL RETURN

Pursuant to the provisions of the Sections 92(3) and 134(3)(a) of the Act, the Annual Return of the Company for FY 2022-23 is available on the website of the Company at https://www.hcltech.com/investors/results-reports.

18. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Nomination and Remuneration Committee ("NRC") formulates the criteria for determining the qualifications, positive attributes and independence of directors in terms of its charter. While evaluating the suitability of individual Board members, the NRC takes into account factors such as educational and professional background, general understanding of the Company's business dynamics, professional standing, personal & professional ethics, integrity & values, willingness to devote sufficient time & energy in carrying out their duties and responsibilities effectively.

The NRC also assesses the independence of directors at the time of their appointment / re-appointment as per the criteria prescribed under the provisions of the Act, the rules made thereunder and the Listing Regulations.

The Remuneration Policy for Directors, Key Managerial Personnel and other employees is provided in the Corporate Governance Report.

19. RISK MANAGEMENT POLICY

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

A detailed section on Risk Management is provided in the Management Disussion and Analysis Report.

20. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company's internal financial control systems are commensurate with its size and nature of its operations and such internal financial controls are adequate and are operating effectively. The Company has adopted policies and procedures for ensuring orderly and efficient conduct of the business. These controls have been designed to provide reasonable assurance regarding recording and providing reliable financial and operational information, adherence to the Company's policies, safeguarding of assets from unauthorized use and prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

21. 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.

22. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The particulars of loans, guarantees and investments, as required under Section 186 of the Act and Schedule V of the Listing Regulations, have been disclosed in the financial statements for FY 2022-23.

23. TRANSACTIONS WITH RELATED PARTIES

The particulars of transactions entered into with the related parties referred to in Section 188(1) and applicable rules of the Act, have been given in Annexure 2 to this Report in Form AOC-2. The Company also has in place a 'Related Party Transaction Policy', which is available on the website of the Company at https://www.hcltech.com/investors/governance-policies/rptpolicypdf.

24. CORPORATE SOCIAL RESPONSIBILITY

The Company contributes progressively to the socio-economic and environmental advancement of the planet with 'Corporate Social Responsibility' ("CSR") at the very core of its existence. To meet its goals, the Company drives its corporate social responsibility agenda through its CSR arm, HCL Foundation, a public charitable trust.

The CSR Committee of the Company is *inter-alia* responsible for formulating, recommending and monitoring the CSR Policy of the Company which contains the approach and direction given by the Board of Directors, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan.

The composition of CSR Committee, a brief outline of the CSR Policy of the Company, the amount that the Company was required to spent in terms of the provisions of the Act, amount that was actually spent and reasons for not spending the prescribed amount and details of capital assets, if any, during the financial year under review are set out in Annexure 3 to this Report in the format as prescribed under the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The CSR projects as approved by the Board of Directors for FY 2023-24 are available on the website of the Company at https://www.hcltech.com/investors/corporate-social-responsibility-hcl.

25. DIVIDEND DISTRIBUTION POLICY

Your Company's wealth distribution philosophy aims at sharing its prosperity with it shareholders, through a formal earmarking / disbursement of profits to its shareholders. In accordance with Regulation 43A of the Listing Regulations, the Company has formulated and adopted a Dividend Distribution Policy which provides for the circumstances under which the members may / may not expect dividend, the financial parameters, internal and external factors, utilization of retained earnings, etc. The Dividend Distribution Policy is available on the website of the Company at https://www.hcltech.com/investors/governance-policies/ddppdf.

26. UNCLAIMED DIVIDEND AND TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

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 transfer to unpaid dividend account 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 the unpaid / unclaimed dividend amount which will be transferred to the IEPF in the subsequent years are given in the Corporate Governance Report.

Further, according to the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the shares in respect of which dividend have not been paid or claimed by the members for seven consecutive years or more are also required to be transferred to the demat account created by the IEPF Authority. Accordingly, during the financial year under review, the Company has transferred 77,832 equity shares to the demat account of the IEPF Authority. The details of such shares are available on the website of the Company at https://www.hcltech.com/investors/iepf-details.

27. DEPOSITS

The Company neither has any outstanding deposits nor it has accepted any deposits from the public during the financial year under review.

28. CORPORATE GOVERNANCE REPORT

The Corporate Governance Report in terms of Regulation 34(3) of the Listing Regulations, along with the Statutory Auditors' certificate is attached and shall form part of the Annual Report for FY 2022-23.

29. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

The Business Responsibility and Sustainability Report in terms of Regulation 34(2) of the Listing Regulations is attached and forms part of Annual Report for FY 2022-23.

30. INSIDER TRADING REGULATIONS

Pursuant to the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time), the Company has adopted a Code of Conduct on Prohibition of Insider Trading ("Insider Trading Code") and a Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information ("Fair Disclosure Code"). The Fair Disclosure Code is available on the website of the Company at https://www.hcltech.com/investors/governance-policies/fair-disclosure-codepdf.

31. AWARDS AND RECOGNITIONS

Your Company relentlessly pursues excellence and is delighted to receive phenomenal share of recognitions and awards from analysts, governing bodies, academic institutions, partners and even customers. Some of the key honors received by the Company during the financial year includes:

Corporate Recognitions

i) HCLTech has won National CSR Award 2020 under Slum Area Development category instituted by the Ministry of Corporate Affairs, Government of India.

ii) HCLTech was rated as an ESG 'Leader' in the software and services industry by MSCI.

iii) HCLTech was included in S&P Global Sustainability Yearbook 2023 as an 'Industry Mover' for demonstrating sustainable business practices.

iv) HCLTech was included in Sustainalytics' 2023 list of ESG Top-Rated Companies in the software and services industry segment and in the Asia Pacific Region.

v) HCLTech won Healthy Workplaces Award 2022 from Arogya World.

Executive Recognitions

i) The US-India Strategic Partnership Forum ("USISPF"), a bilateral non-profit organization focused on building strategic relationships between India and the U.S., bestowed the Lifetime Achievement Award to Mr. Shiv Nadar for his contribution to the technology industry and his philanthropic initiatives to transform lives through access to educational opportunities.

ii) HCLTech Founder and Chairman Emeritus Mr. Shiv Nadar was honored with the Lifetime Achievement Award at The Economic Times Awards for Corporate Excellence for his contributions as a pioneering entrepreneur and philanthropist.

iii) HCLTech Chairperson Ms. Roshni Nadar Malhotra was honored with the Business Today Most Powerful Women in Business Award 2023.

iv) HCLTech Chairperson Ms. Roshni Nadar Malhotra was honored with Fortune India's Most Powerful Women Award 2022.

v) HCLTech CFO Mr. Prateek Aggarwal won the CII Leading CFO of the year 2022 Award in the IT & ITES category.

Employer Recognitions

i) HCLTech was certified as a great place to work in the U.S

ii) HCLTech won Bronze Award at the Economic Times Human Capital Awards for Power of One employee volunteering initiative.

iii) HCLTech received 'Regional Top Employer certification' in 25 countries under the Top Employer 2023 Program. Of these 25 countries, the Company was ranked number one in 18 countries. HCLTech was also recognized as a Top Employer in three key geographies: North America, Europe and Asia Pacific.

iv) HCLTech won Best Places to Work in India Awards 2022 in Mega Companies category in Ambition Box.

v) HCLTech won multiple awards from Brandon Hall in the following categories:
- Two gold, two silver and one bronze awards in the Diversity, Equity & Inclusion category.
- Two gold awards in the Human Resources category.
- Three gold and one bronze awards in the Learning and Development category.
- Two gold, one silver and one bronze awards in the Talent Management category.

Diversity & Inclusion Recognitions

i) HCLTech was included in 100 Best Companies for Women in India list and was recognized as Exemplar of Inclusion in the Most Inclusive Companies Index by Avtar &Seramount.

ii) HCLTech was included in:
- Seramount's Global Inclusion Index.
- Bloomberg Gender Equality Index.
- Pride Circle India's India Workplace Equality Index.

iii) HCLTech was recognized as the Diverse Company for 2022 at the Global DEI Summit 5.0, organized by the Times of India and Ask Insights.

Business Recognitions

i) HCLTech won Google Cloud Global Breakthrough Partner of the Year 2021 Award.

ii) HCLTech won Dell Technologies Global Excellence in Expansion Award.

iii) HCLTech won VMware 2022 Partner Value Award.

iv) HCLTech awarded in the Outstanding Cloud Offering category at the Digital Bankers Middle East & Africa Retail Banking Innovation Awards 2021.

v) HCLTech DRYiCE™ won the 'LogicMonitor GSI Excellence Award' at LM Elevate 2022 conference.

vi) HCLTech won 'Outstanding Value' award at the 2022 Honda NAIP Supplier Conference.

vii) HCLTech 'SIIA CODiE' (The Software & Information Industry Association) won awards 2022 for 'Best Customer Service Solution' and 'Product Management team of the Year'.

viii) HCLTech was recognized as 'Emerging GSI of the year 2021': India, South Korea and Asia region by Proof point.

ix) HCLTech won American Honda of the Year Award for outstanding value for its work in PLM managed services.

x) HCLTech was recognized as the System Integrator Certification Partner of the Year at the MongoDB Partner.

(xi) HCLTech named a Titanium member, the highest level of recognition, at the Intel® Network Builders Winners' Circle Awards for the second consecutive year.

Analysts Recognitions

i) HCLTech was positioned as a Leader in 2022 Gartner® Magic Quadrant™ for Custom Software Development Services, worldwide*.

ii) HCLTech was positioned as a Leader in 2022 Gartner® Magic Quadrant™ for Public Cloud IT Transformation Services*.

iii) HCLTech was positioned as a Leader in 2023 Gartner® Magic Quadrant™ for Outsourced Digital Workplace Services*.

iv) HCLTech was positioned as a Leader in 2022 Gartner® Magic Quadrant™ for Data Center Outsourcing and Hybrid Infrastructure Managed Services, worldwide*.

v) HCLTech was positioned as a Leader in 2022 Gartner® Magic Quadrant™ for Managed Mobility Services, Global*.

vi) HCLTech was positioned as a Leader in 2022 Gartner® Magic Quadrant™ for Managed Network Services*.

vii) HCLTech was positioned as a Leader in:

- Forrester Wave™: Multi-cloud Managed Services Providers, Q1 2023.
- Forrester Wave™: Cloud Migration and Managed Service Partners in Asia Pacific, Quarter 4 2022.
- IDC MarketScape: Worldwide Adobe Experience Cloud Professional Services 2022 Vendor Assessment (Doc #US47542221, June 2022).
- IDC MarketScape: Worldwide SAP Implementation Services 2022 Vendor Assessment (Doc #US48395822, June 2022).
- IDC MarketScape: Worldwide Managed Cloud Security Services in the Multicloud Era 2022 Vendor Assessment (Doc #US48761022, September 2022).
- IDC MarketScape: Worldwide Industry Cloud Professional Services 2022 Vendor Assessment (Doc #US48187622, September 2022).
- IDC MarketScape: Asia/Pacific Managed Security Services 2022 Vendor Assessment (Doc #AP49101222, November 2022).
- IDC MarketScape: Worldwide Manufacturing Intelligence Transformation Strategic Consulting 2023 Vendor Assessment (Doc # US50247922, February 2023).
- Avasant's Digital Masters 2022 RadarView™.
- Everest Group's Software Product Engineering Services PEAK Matrix® Assessment 2023.
- ISG Provider Lens™ Retail Services - Platform Migration Services - U.S., Europe and U.K. 2022.
- Star Performer in Everest Group's Healthcare Provider Digital Services PEAK Matrix® Assessment 2023.
- Everest Group's Healthcare Payer Digital Services PEAK Matrix® Assessment 2022.

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32. SUSTAINABILITY

"Our guiding philosophy – ACT, PACT, IMPACT"

ACT - We at HCLTech understand that impact starts with us. We act in the most responsible and sustainable manner. We ensure we use every resource efficiently to garner the maximum value.

PACT - Working together for a sustainable future, hand in hand with our clients, partners, communities and other stakeholders.

IMPACT - We focus on creating sustainable impact through all our initiatives and activities.

The Company has made demonstrable progress on its sustainability commitments during the year under review and some of them are as follows:

- Leading ESG ratings like MSCI, Sustainalytics, S&P etc. have recognized the Company as a leader in consideration of its commitments and progress;
- More than 10,000 hours of training completed by employees at Company's Sustainability School since its launch in November 2022;
- 12% increase in renewable energy consumption as compared to last year;
- The Company's flagship sustainability solution Net-Zero Intelligent Operations (NIO) won the 2023 IOT Evolution, Industrial IOT Product of the year award; and
- The Company has impacted over 5.5 million lives through its CSR arm, the HCL Foundation, and helped over 12,000 Persons with Disability of which 37% were female beneficiaries. It has also planted over 1.45 million saplings, rejuvenated 150 water bodies, and recharged 26X more water than it uses.

The progress against the goals & targets that the Company has laid out across the dimensions of ESG shall be reported in the Sustainability Report of HCLTech for FY 2022-23, which shall be published separately.

In true spirit of the PACT, the Company with its stakeholders, continues to get involved in Industry coalitions to create impact of scale. The Company continues to be a signatory to the UN Global Compact and the Climate Pledge. During the year, the Company endorsed the CEO Water mandate and became the first Indian company to be a member of the Water Resilience Coalition ("WRC"). WRC aims to elevate the mounting crisis of global water stress and its connection to climate change to the top of the corporate agenda and to preserve the world's fresh water resources through collective action in water stressed basins and through ambitious and quantifiable resilience goals.

Guided by the ESG & Diversity Equity Inclusion Committee of the Board, the Company has also strengthened its ESG governance framework by bringing in efficient controls to ensure that necessary action is taken on all ESG risks and opportunities identified across the 12 material topics.

33. ORGANIZATION EFFECTIVENESS

Human Resources

The Company's human resource processes & practices are aligned to bring together the best of technology and the people to supercharge progress. What truly distinguishes the Company is its culture of innovation, empowerment, and entrepreneurship, backed by a strong focus on employee well-being and development.

Employee Strength and Expansion

The global team of the Company is its biggest strength and enables the Company to deliver differentiated service experience to the Company's clients. The Company and its subsidiaries have attained an impressive employee strength of 2,25,944 and continues to build further.

The Company prides itself in employing people from different geographies and nationalities, creating a unique fabric of values and traditions. As on March 31, 2023, the Company employed resources from 161 nationalities and women represented 29.2% of the global workforce.

The Company has more than 30 years of history in the United States, with a nationwide workforce of around 24,600+ employees and multiple global delivery centres and innovation labs. The Company's strong collaboration with clients, alliance partners, government and academia, is a testimony of the Company's commitment to the region. The Company's growth can be attributed to best-in-class tech solutions, its embracement of local talent, U.S. government support, collaboration with many U.S. universities and other academic institutions, and its continuing commitment to investing in local ecosystems. The Company's emphasis and commitment to talent localization continues. In the United States, the Company's localization stands at 73.1%.

Talent Acquisition

During FY 2022-23, the people strength of the Company has increased by 8.20%. This has been aided by the Company's talent supply chain strategy including entry level hires, expanding to new vista and nearshore locations where the Company access a wider talent pool, increasing the depth of its talent sourcing efforts and the ability to train and upskill talent. The Company has leveraged digital technologies to enhance the quality and experience of its talent acquisition programs.

Hiring freshers is a big component of the Company's talent strategy, and the Company is looking ambitiously at onboarding higher number of freshers each year. The Company has hired 26,734 freshers during the last financial year.

The Company's unique TechBee model onboards class XII passouts (equivalent to senior high school in the USA) after testing them for aptitude. The Company has created a framework for this talent to graduate as well as become employable. Being a pioneer of this model, the Company has a cultural head start in engaging with Gen Z.

Talent Development

The Company's Talent Development Centre of Excellence ("CoE") continues to focus on creating a culture of continuous learning through its business focused learning solutions, contributing to the vision of building a truly global organization.

The Company has launched its new Employee Value Proposition ("EVP") – 'Find Your Spark'. Built on the broad tenets of opportunity, respect, and trusted employment, the Company's EVP emphasizes its commitment to help both current and prospective employees maximize their career potential and ambitions.

The Company's conversations with Gen Z has pushed the envelope for a more transparent rules of the game on career progression and skilling. The Company has democratized learning where employees can self enroll for these programs to acquire niche skills with a guarantee to be deployed in the next skill once certified ready. Through this, the Company is bringing personalization, alignment to aspirations and career certainty. All these are attractive value prepositions for Gen Z talent. The Company will be creating over the next two years a high degree of visibility to career readiness and progression based on business priorities and modelling and analytics of career trajectories.

The Company has launched a new skilling & certification initiative to meet the career development aspirations of its employees. During FY 2022-23, 1,51,882 employees availed 9.41 million hours of training for enhancing their current skills and learning new skills. 70,266 unique employees were also trained in digital skills during this period.

Diversity, Equity and Inclusion ("DEI")

The Company strives to continuously benchmark itself in the DEI space. The Company has diverse culture as it is present in 60 Countries with 161 nationalities. The Company's current gender diversity ratio stands at 29.2%

The Company provides the following learning and development programs for women:

i) Feminspiration - It is a platform where women leaders from the client company are invited to address HCLTechies. This forum has been launched to help HCLTechies gain insight into successful leadership as well as understand perspectives on gender matters.

ii) I Motivate - It aims to motivate women HCLTechies by connecting them with the Company's women leader(s) via a formal session and enable them to understand how to manage their priorities and develop necessary leadership and networking capabilities to stay successful in their careers.

iii) Women Connect - A network of women employees advocating a gender neutral work environment. This group coaches and counsels aspiring young women professionals, shares experiences on work / life priorities and includes life coach support, day-care in office premises, concierge services, and policies such as extended maternity leave, work from home, flexible careers, flexible work hours and other women related issues.

iv) ASCEND - An initiative which focusses on career progression of women leaders in functional roles and help them achieve their aspired roles. The key outline of the program includes mentoring & coaching by senior leaders in the Company to program participants.

v) STEPPING STONES - A global program which aims to pace up the growth of mid-level women managers in the leadership positions. The program is designed for mid-level managers to fuel their leadership capabilities.

vi) Prelude - A focused program for E4+ women leaders. The objective is to mentor them for their next level roles to create a ready pool of women leaders for the existing open positions.

vii) Momtastic - An initiative launched to help all the young mothers and to be mothers to have a smooth transition and ease the dilemmas and decision making process, when they come back to work post their maternity leave.

viii) HCLTech Second Career Return Program - An opportunity provided through returnship program.

ix) HCLTech Career Program for Women - Through this program, women from diverse backgrounds are trained and hired for entry level jobs.

Employee Resource Groups ("ERG")

i) Pride@HCLTech - It shares unique insights from gay, lesbian, bisexual, transgender, and allied communities, helping to contribute to an inclusive workplace environment that welcomes and values differences. Through increasing LGBTQIA+ awareness and education, Pride members vision is to make the world a safer place.

ii) Ability Connect Network - A community for those who have a disability, support a colleague with a disability, and any employee that wants to help raise awareness and champion support for impacted individuals.

iii) Women Connect Network - The ERG is committed to retain and increase the visibility and contributions of the Company's women, and attracting top female talent.

iv) Single Parent Network - It is a voluntary employee led group of active single parent HCLTechies who contribute both by improving social and emotional wellbeing for other single parents and their families and being the catalysts to improve inclusion in the workplace.

v) Multicultural Employee Resource Group ("MERG") - The network provides an employee forum for improvement and enhancement of the professional development of its membership and promotes cultural awareness both within and outside of the Company through education about indigenous cultures.

Disability Inclusion Policy

Disability Inclusion focuses on successful integration of people with disabilities into the workforce by providing them an inclusive and accessible work environment. The Company's inclusion is a business imperative for sustainable growth. The Company believes that every individual brings in unique value and skills to workplace. Thus, the organization's Person with Disability ("PwD") charter was drawn up to focus on successful integration of people with disabilities into the workforce by providing them an inclusive and accessible work environment. The charter emphasizes in fostering PwD inclusion through its 4 tenets of Employ, Enable, Engage and Empower.

Programmes for Employees with Disabilities

The Company organizes various programmes / events for the PwDs, some of them are as follows:

i) Self-Voluntary Identification - To promote equality of opportunity, each employee must be given the opportunity to self-identify any disabilities. The Company provides an opportunity to voluntary self-identify oneself for any disability.

ii) Ability Connect ERG - It is an employee led resource group to facilitate an environment that promotes awareness, equality and helps advance employees by suggesting policies and programs to support inclusion and growth, address disability related topics and supports in enabling an accessible workplace. The network has been launched in India to all self-identified PwD employees and their allies.

iii) PwD (International Day of Persons with Disabilities (IDPD) events):

   a) Disability Awareness Kiosk - Raising awareness to build a more inclusive work place online quiz on including people with disabilities.

   b) Building inclusivity through dialogue - A guest speaker event where they share awareness and sensitized employees to how they can come together to build transformative solutions.

   c) Doodling event Workshop - A neurodiversity awareness event organized by an autistic artist.

   d) Campus Event - Two NGO schools raise awareness about IDPD in our Noida campus. The idea is to spread inclusion and diversity in the workplace while dancing together in celebration.

34. 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 the Company are set out in Annexure 4 to this Report.

35. 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 5 to this Report.

36. EMPLOYEE STOCK OPTION PLAN

The Company has adopted and implemented 'HCL Technologies Limited - Restricted Stock Unit Plan 2021' ("RSU Plan") for granting Restricted Stock units ("RSUs") to the employees of the Company, its subsidiary & associate company(ies).

In terms of the RSU Plan, a maximum of 1,11,00,000 (One crore eleven lakhs) RSUs in one or more tranches may be granted, which on exercise would entitle not more than 1,11,00,000 (One crore eleven lakhs) equity shares of ₹2/- each (approximately 0.41% of the paid-up equity share capital as on March 31, 2021), with each such RSU conferring a right to apply for one equity share of the Company against each RSU granted or vested.

The RSU Plan has been implemented through a trust mechanism by way of secondary acquisition of equity shares of the Company by Trust for transferring the same to the employees on exercise of the vested RSUs. Accordingly, no fresh shares will be issued by the Company either to the Trust or the RSUs grantees.

RSU Plan is in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended from time to time and there have been no changes in the said plan during the financial year under review. The RSU Plan was approved by the shareholders of the Company on November 28, 2021.

The details of RSU Plan including requirements specified under Regulation 14 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 are available on the Company's website at https://www.hcltech.com/investors/results-reports.

37. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has formulated and published a Whistleblower Policy to provide vigil mechanism for employees, directors and other stakeholders of the Company to report genuine concerns (including reporting of instances of leakage of unpublished price sensitive information) 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 the Listing Regulations and the said Policy is available on the website of the Company at https://www.hcltech.com/investors/governance-policies/whistleblowerpolicypdf The details of the Whistleblower Policy are provided in the Corporate Governance Report.

38. OBSERVANCE OF THE SECRETARIAL STANDARDS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA

The Company complies with all applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

39. 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 Workplace Policy in line with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has constituted an Internal Complaints 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 the Business Responsibility and Sustainability Report respectively.

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 remuneration of each director to the median remuneration of the employees of the Company for the financial year:

S. No.	Name of the Director	Ratio to median remuneration of employees
Executive Director		
1	Mr. C. Vijayakumar, CEO & Managing Director	253.35
Non-Executive Directors		
2	Ms. Roshni Nadar Malhotra	9.36
3	Mr. Deepak Kapoor	8.02
4	Mr. S. Madhavan	9.98
5	Dr. Mohan Chellappa	11.21
6	Ms. Nishi Vasudeva	8.07
7	Ms. Robin Ann Abrams	12.92
8	Dr. Sosale Shankara Sastry	9.74
9	Mr. Shikhar Malhotra	7.45
10	Mr. R. Srinivasan	12.01
11	Mr. Simon John England	10.85
12	Mr. Thomas Sieber	9.95
13	Ms. Vanitha Narayanan	10.08

***Note:** Mr. C. Vijayakumar, CEO & Managing Director is based in USA and draws remuneration from HCL America Inc., a wholly owned step-down subsidiary of the Company in USA. The ratio of the median remuneration has been calculated with reference to employees of HCL Technologies Limited on standalone basis.*

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

a) Percentage increase / (decrease) in Remuneration of Non-Executive Directors

S. No.	Name of the Director	% Increase / (Decrease) in Remuneration in the financial year
1	Ms. Roshni Nadar Malhotra	-
2	Mr. Deepak Kapoor	-
3	Mr. S. Madhavan	1
4	Dr. Mohan Chellappa	31
5	Ms. Nishi Vasudeva	-
6	Ms. Robin Ann Abrams	26
7	Dr. Sosale Shankara Sastry	37
8	Mr. Shikhar Malhotra	(9)
9	Mr. R. Srinivasan	29
10	Mr. Simon John England	45
11	Mr. Thomas Sieber	24
12	Ms. Vanitha Narayanan	-*

***Note:** *Ms. Vanitha Narayanan was appointed as Non-Executive Independent Director during FY 2021-22 and hence, the said information is not comparable and not provided.*

b) Percentage increase / (decrease) in remuneration of Executive Director and Key Managerial Personnel

S. No.	Name of Key Managerial Personnel	Designation	% Increase / (Decrease) in Remuneration in the financial year after considering the LTI payment & perquisite value of RSUs exercised	% Increase / (Decrease) in Remuneration in the financial year without considering the LTI payment & perquisite value of RSUs exercised
1	Mr. C. Vijayakumar	CEO & Managing Director	(79.05)	(13.86)
2	Mr. Prateek Aggarwal	Chief Financial Officer	(19.10)	1.49
3	Mr. Manish Anand	Company Secretary	4.84	5.77

C. **The percentage increase in the median remuneration of employees in the financial year:** 0.01%.

D. **The number of permanent employees on the rolls of Company**: There were 1,21,306 permanent employees on the rolls of the Company. In addition, the Company had 1,04,638 number of employees on the rolls of its subsidiaries.

E. **Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage 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 percentage increase made in the salaries of employees other than the managerial personnel in the last financial year was 5.14%. For the managerial personnel (Executive Director, Non-Executive Directors, and Independent Directors), there is a decrease of 5.28% in the remuneration, on an aggregate basis, during this financial year compared to the previous financial year.

F. The Company affirms that the remuneration is as per the Remuneration Policy of the Company.

G. **Variable Pay Compensation:** The variable compensation of executive officers, including the Chief Executive Officer and Managing Director, is based on clearly laid out performance criteria and measures. The variable compensation is paid in the form of annual Performance linked bonus, Long-Term Incentive (“LTI”) and Restricted Stock Units (based on Performance or Tenure). The parameters for variable compensation include achieving targets related to Revenues, EBIT, Net profit, Free cashflow, Total Shareholder Return, personal KPPs, strategic goals and other metrices such as client satisfaction, ESG, Diversity, etc.

41. STATEMENT OF EMPLOYEES PURSUANT TO RULE 5(2) AND 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

In terms of Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a separate exhibit forming part of this report contains the following:

(i) the list of top ten employees of the Company in terms of the remuneration drawn in FY 2022-23;

(ii) a statement containing the names of the employees employed throughout the financial year and in receipt of remuneration of ₹1.02 crores or more per annum; and

(iii) employees employed for part of the year and in receipt of remuneration of ₹8.50 lacs or more per month.

This exhibit is available on the website of the Company at https://www.hcltech.com/investors/results-reports . The Annual Report is being sent to the shareholders excluding the aforesaid exhibit. Shareholders interested in obtaining this information may access the same from the Company's website.

42. ACKNOWLEDGEMENTS

The Board wishes to place on record its appreciation of the significant contributions made by the employees of the Company and its subsidiary & associate companies. The Company has achieved impressive growth through competence, hard work, solidarity, co-operation and support of employees at all levels. The Board wishes to thank the customers, vendors, other business associates and investors for their continued support in the Company’s growth and also wishes to thank the government authorities, banks and other regulatory bodies for their co-operation and assistance extended to the Company.

For and on behalf of the Board of Directors
of **HCL Technologies Limited**

Place: Noida (U.P.), India
Date: April 20, 2023

ROSHNI NADAR MALHOTRA
Chairperson
DIN: 02346621

Annexure 1 to the Directors' Report

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

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 governance 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, 2023 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, 2023 according to the provisions of:

(i) The Companies Act, 2013 ('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 76 of SEBI (Depositories and Participants) Regulations, 2018;

(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 to the extent applicable;

   (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, 2018 to the extent applicable;

   (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

   (e) The Securities and Exchange Board of India (Issue and Listing of convertible Securities) Regulations, 2021; **Not Applicable during the period under review.**

   (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, 2021; **Not Applicable during the period under review;**

   (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; **Not Applicable during the period under review.**

(vi) The other laws, as informed and certified by the Management of the Company which are specifically applicable to the Company based on the Sectors/ 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/ Regulations of the following:

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

(ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable.

During the period under review the Company has 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, 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 at least seven days in advance except in cases where meetings were convened at a shorter notice, 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 no major event has been 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.

For **Chandrasekaran Associates**
Company Secretaries
Firm Registration No.: P1988DE002500
Peer Review Certificate No.: 1428/2021

Dr. S. Chandrasekaran
Senior Partner
Membership No. FCS 1644
Certificate of Practice No. 715
UDIN: F001644E000137329

Date: April 19, 2023
Place: Delhi

Note:

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

Annexure-A

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

Our Report of even date is to be read along with this letter.

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 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.

For **Chandrasekaran Associates**
Company Secretaries
Firm Registration No.: P1988DE002500
Peer Review Certificate No.: 1428/2021

Dr. S. Chandrasekaran
Senior Partner
Membership No. FCS 1644
Certificate of Practice No. 715
UDIN: F001644E000137329

Date: April 19, 2023
Place: Delhi

Annexure 2 to the Directors' Report
FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013
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, 2023, HCL Technologies Limited ('HCLTech') 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

   During the financial year ended March 31, 2023, the material transactions were undertaken with the following step-down wholly owned subsidiaries, being the related parties:

S. No.	Name of the wholly owned step-down subsidiary	Place of Incorporation
1	HCL Technologies Corporate Services Limited	United Kingdom
2	HCL America Inc.	United States of America
3	HCL Technologies UK Limited	United Kingdom
4	HCL Software Products Limited	India
5	HCL Technologies Sweden AB	Sweden
6	HCL Technologies Germany GmbH	Germany

   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

   - HCLTech to provide IT / ITES services to the existing and new clients of the above mentioned step-down wholly owned subsidiaries including various support and general administrative services as may be required from time to time;
   - The above mentioned step-down wholly owned subsidiaries shall respectively provide IT / ITES services including sales and marketing support services to HCLTech;
   - The respective parties shall diligently perform their respective obligations under the contracts in a timely manner and provide services in accordance with the work order issued by the customer;
   - The respective 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;
   - The respective parties shall be responsible for all the expenses incurred in connection with providing its services; and
   - The parties shall comply with the local, state and federal laws and regulations applicable while providing services.

During the financial year ended March 31, 2023, the value of the transactions that were undertaken with the following step-down wholly owned subsidiaries, being the related parties are as under:

S. No.	Name of the wholly owned step-down subsidiary	Amount of transaction (₹ in crores)
1	HCL Technologies Corporate Services Limited	13,401
2	HCL America Inc.	4,047
3	HCL Technologies UK Limited	2,427
4	HCL Software Products Limited	2,035
5	HCL Technologies Sweden AB	1,763
6	HCL Technologies Germany GmbH	1,167

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
of **HCL Technologies Limited**

ROSHNI NADAR MALHOTRA
Chairperson
DIN: 02346621

Place: Noida (U.P.), India
Date: April 20, 2023

Annexure 3 to the Directors' Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ("CSR") ACTIVITIES

1. A brief outline of the Company's CSR policy

The objective of the CSR policy (the "Policy") of the Company is to lay down the guiding principles for selection, implementation, monitoring and evaluation of CSR activities as well as formulation of the Annual Action Plan, for ensuring growth and advancement of society and conservation of natural resources. To meet its goals, the Company drives its Corporate Social Responsibility agenda through its CSR arm, HCL Foundation, a Public Charitable Trust registered with the Ministry of Corporate Affairs under the Companies Act, 2013 and Rules made thereunder, and under Sections 12A and 80G of the Income Tax Act, 1961.

HCL Foundation has been set up to take up projects and programmes as part of its CSR mandate which are aligned to the Sustainable Development Goals. The CSR activities, projects and programmes undertaken by the Company shall be those as approved by the Board of Directors on the recommendation of the CSR Committee and are covered under the areas set out in Schedule VII of the Companies Act, 2013. All CSR initiatives are inclusive, gender transformative, with special attention to the ultra poor, people with disabilities and environment conservation.

The key CSR streams are early Childhood Care & Development, Health, Education, Skill Development & Livelihood, Water, Sanitation & Hygiene, Environment, Disaster Risk Reduction & Response and Gender & Inclusion.

2. The composition of the CSR Committee as on March 31, 2023

S. No.	Name of Directors	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Ms. Roshni Nadar Malhotra	Chairperson	2	2
2	Dr. Mohan Chellappa	Member	2	2
3	Mr. S. Madhavan	Member	2	2

3. The web-link where Composition of CSR Committee, CSR policy and CSR projects approved by the Board are disclosed on the website of the Company

https://www.hcltech.com/investors/corporate-social-responsibility-hcl.

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014

An independent Impact Assessment was undertaken for two projects (i) "Aflatoun"- Social and Financial Inclusion by implementing Agency - MelJol; and (ii) "iCARE" - Informed and Collaborative Action for Resilience of Ecosystems by implementing Agency - Foundation for Ecological Security.

Recognizing criticality of social and financial literacy among children in India, the Company supported MelJol to implement the project - Aflatoun Social and Financial Education in India. It was implemented from 2017-2021 in a total of 7 districts in 3 states of Jharkhand, Maharashtra and Uttar Pradesh with the key objectives of helping children examine and reflect on their identities as individuals and enhance their personal development, use participatory and active learning methodology and create a child-centred learning environment in schools, create awareness on child rights and responsibilities, inculcate habit of saving, responsible spending and appropriate utilization of natural and financial resources among children and to provide the scope of learning life skills such as self-awareness, empathy, critical thinking, creative thinking, problem solving and decision making. In the 4 years of implementation, the program positively impacted 72,000 students from these states of the country. Some of the key program outputs were it successfully trained teachers in the Aflatoun curriculum, set up Aflatoun clubs in 720 schools, initiated financial enterprises in all clubs and established banks in schools to help encourage savings among children. The impact assessment study revealed that the program was successful in achieving its objectives. Three of the most significant impacts observed as a result of direct association with the project were improving confidence of children, bringing a habit of saving among them and improving their school attendance.

Foundation for Ecological Security ("FES") with the support of HCL Foundation has implemented an action project named "Informed Collaborative Action for Resilience of Ecosystem (iCARE)" with an integrated and evidence based approach in 6 districts, spread over 5 states in India. The project aimed at improving local self governing capacities and creating new Institutions at the village levels for the management of common resources (Land, Water and Forest). The results of the current impact evaluation of the "iCARE" program of HCL Foundation is measured on three important program components namely 1) community and the institution building; 2) effective usage of ICT Tools; and 3) collaboration at block and the district level for better planning and implementation. The desired impact is primarily achieved through the effective utilization and channelizing different government funds (like MGNREGA) in ecological restoration to create new livelihood opportunities, increased access to various social security schemes through increased awareness and community level institutional strengthening. The study revealed MGNREGA has been utilized very well in the management of the commons be it, forest, water resources, etc. Therefore, man days of MGNREGA has increased significantly across all the landscapes.

The detailed impact assessment reports carried out by an independent agency are available on the website of the Company at https://www.hcltech.com/investors/corporate-social-responsibility-hcl

5. (a) **Average net profit of the Company as per Section 135(5)** - ₹ 11,903 crores
   (b) **Two percent of average net profit of the Company as per Section 135(5)** - ₹ 238 crores
   (c) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years** - Nil
   (d) **Amount required to be set off for the financial year, if any** - Nil
   (e) **Total CSR obligation for the financial year [(b)+(c)-(d)]** - ₹ 238 crores

6. (a) **Amount spent on CSR Projects (both ongoing project and other than ongoing project)** - ₹ 237.37 crores
   (b) **Amount spent in Administrative Overheads** - ₹ 0.78 crores
   (c) **Amount spent on Impact Assessment, if applicable** - ₹ 0.15 crores
   (d) **Total amount spent for the financial year [(a)+(b)+(c)]** - ₹ 238.30 crores
   (e) **CSR amount spent or unspent for the financial year**

Total amount spent for the financial year (in ₹/crores)	Amount unspent (in ₹/crores)				
	Total amount transferred to unspent CSR account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the fund	Amount	Date of transfer
238.30	Nil				

   (f) **Excess amount for set-off, if any**

S. No.	Particulars	Amount (in ₹ / crores)
(i)	Two percent of average net profit of the Company as per Section 135(5)	238.00
(ii)	Total amount spent for the financial year	238.30
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.30
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)] *	0.30

**This excess spending is on account of interest earned on CSR Funds during FY 2022-23 and therefore would not be set off in the succeeding financial years.*

7. **Details of unspent Corporate Social Responsibility amount for the preceding three financial years**

S. No.	Preceding Financial Year	Amount transferred to unspent CSR account under Section 135(6) (in ₹)	Balance amount in Unspent CSR Account under Section 135(6) (in ₹)	Amount spent in the financial year (in ₹)	Amount transferred to a fund specified under Schedule VII as per second proviso to Section 135(5), if any	Amount remaining to be spent in succeeding financial years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer	
NA							

8. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year**

   No.

   The Company has not directly created or acquired any capital asset through CSR spent during the financial year ended March 31, 2023. All CSR expenditure has been done through the implementing agencies.

9. **Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per Section 135(5)**

   Not applicable.

C. VIJAYAKUMAR
CEO & Managing Direcor
DIN: 09244485

ROSHNI NADAR MALHOTRA
Chairperson-CSR Committee
Chairperson - HCL Technologies Ltd.
DIN: 02346621

Place: Noida (U.P.), India
Date: April 20, 2023

Annexure 4 to the Directors' Report

Particulars pursuant to Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014

A) Conservation of Energy and Water

As a responsible corporate, the Company believes that it has got accountability to the future and an imperative role to play in addressing global challenges, climate change, and environmental sustainability. The Company has made a commitment to conserve the environment by adopting several "Green Initiatives" and these initiatives will drive energy & water consumption in an efficient, economical, and environment friendly manner throughout all its premises.

The initiatives and good practices adopted towards conservation of energy and water are described below:

1. **Renewable Energy Purchase** - The Company is committed to substitute **80%** of electricity with renewable energy by 2030. The source of renewable energy is wind, solar and hydel based electricity. By transitioning electricity supply to renewable sources globally, the Company has so far transitioned **17.57%** of its energy requirement to renewable sources which is equal to **49,663.78 MWh.** Out of this, **27,049.75 MWh** is for its facilities in India which includes **2,404.46 MWh** generated from onsite solar plant installations, and **22,614.03 MWh** for its Geo locations. This has enabled the Company to reduce carbon footprint by **24,623.55 tCO_2e** (Tons of Carbon dioxide equivalent) out of which **21,909.38 tCO_2e** in India and of **2,714.17 tCO_2e** in Geo locations.

2. **High Side: Chiller Operational Performance Improvement** - Chiller performance improvement program has been enabled in all major facilities of the Company and effectiveness of cooling towers has improved with the help of fills replacement, temperature set point adjustment, condenser descaling and equipment performance measurement activities. This has enabled the Company to save **177.47 MWh** of energy and has helped to reduce **143.75 tCO_2e** of emissions.

3. **Low Side: HVAC Operational Performance Improvement**- Efficiency improvement measures of Low Side of HVAC systems implemented in major facilities which involved energy efficient unit installation, defective coils and filters replacement, heat load reduction by room partition & operational control enhancement measures such as AHU timer-based control and temperature set point changes related activities. This has enabled the Company to save **1,021.90 MWh** of energy and has helped to reduce **827.74 tCO_2e** of emissions.

4. **Energy efficient Lighting and Control** - The Company extended its initiative to expand use of LED lightings in all the facilities including workspace, cafe / pantry, pathways, outdoor & basements, and operational control enhancement measures such as installation of motion sensors, daylight harvesting feature which resulted in optimum usage of lighting and energy saving. Energy savings accrued by these initiatives is **615.04 MWh** of absolute energy consumption thereby reducing **498.18 tCO_2e** emissions.

5. **Effective Utilization of UPS** - On the basis of the load demand of the UPS systems, capacity of the backup has been optimized by shutting down some of the systems. In addition, activation of passive filters has been taken up. This optimization measure resulted in energy savings of **117.17 MWh** and emission reduction of **94.90 tCO_2e**.

6. **Elevator & Sewage Treatment Plant ("STP") operation optimization** - Process improvement in the operation of Elevator & STP was implemented, such as revising elevator operating schedule during weekends & non-business hours and implementation of Dissolved Oxygen control in STP. Energy savings accrued by these initiatives is **26.63 MWh** of absolute energy consumption and has helped to reduce **21.57 tCO_2e** emissions.

7. **Water Conservation** - The Company's focus on water conservation was strengthened by further investing towards sensor based taps, treated water for flushing, landscaping, soft water applications, rainwater harvesting, neem-based liquid enhanced with an anti-scaling agent in the cooling tower and a system with fewer chemicals to water. All this has enabled the Company to conserve **36,398.74 KL** of water.

A summary of the above-mentioned operational efficiency related interventions is tabulated as below: -

S. No.	Intervention Particulars	FY 2022-23 (MWh)	Carbon Footprint Reduction (tCO_2e)	Investment (in ₹ Lakhs)
	Energy Related Interventions			
1	Renewable Power Purchase (India)	27,049.75	21,909.38	
	Renewable Power Purchase (GEO)	22,614.03	2,714.17	
	Total	**49,663.78**	**24,623.55**	
	Energy Operational Related Interventions			
2	Chiller Operational Performances Improvement	177.47	143.75	10.83
3	HVAC Operational Performances Improvement	1,021.90	827.74	165.67
4	Energy Efficient Lighting and Controls	615.04	498.18	74.86
5	Effective utilization of UPS	117.17	94.90	7.79
6	Elevator & STP Operation optimization	26.63	21.57	-
	Total	**1958.21**	**1586.14**	**259.15**
	Grand Total	**51,621.99**	**26,209.69**	**259.15**

Conversion reference Grid Emission Factors - CO_2 Baseline Database for the Indian Power Sector 2022 (V18.0). Weighted average emission factor of the Indian Grid taken in tCO_2e/MWh.

S. No.	Intervention Particulars	HCL facility covered	FY 2022-23 (ML)	Investment (in ₹/Lakhs)
1	Sensor based water taps	Noida Sector 126, Bangalore Jigani, Chennai SEZ, Facilities in Rest of Chennai, Sadhya Infotech Park, Rest of NCR, Pune & Mumbai, Rest of Bangalore	2.91	16.06
2	Water efficient operational control	Nagpur Campus, Bangalore Jigani Campus, Chennai Ambattur - 5 & Pune facilities	25.63	5.98
3	Water reuse	Bangalore Jigani Campus, Lucknow Campus	7.86	2.57
		Grand Total	**36.40**	**24.61**

8. **Initiatives and Best Practices**

a) **Transport Sustainability through Electric Vehicles (Pilot Launch)**

During the financial year under review, electric vehicle pilot for employee transport service was successfully conducted in Bengaluru and Hyderabad. In FY 2023-2024, the Company plans to transition part of its transport fleet to electric vehicles as a part of Sustainability initiatives.

b) **Green Building Certification**

Overall, 13.31 million sq. ft of building space of the Company is certified under different 'Green Building Certification' Programs including US Green Building Council ("USGBC") for Leadership in Energy and Environment Design ("LEED"), Indian Green Building Council ("IGBC"), Building Research Establishment Environmental Assessment Method ("BREEAM") and Comprehensive Assessment System for Built Environment Efficiency ("CASBEE") etc. 96.47% (i.e., 12.84 million sq. ft) of this green building certified area, is rated with 'Platinum' or equivalent ratings, balance 3.53% is rated with 'Gold' or equivalent ratings'.

All HCLTech campus are LEED 'Platinum' certified by USGBC or IGBC. Chennai, Bangalore, Madurai and Noida campuses are also certified under ISO 50001: 2018 Energy Management System.

c) **CDP'2022 Water Security Disclosure**

CDP's work with water security motivates companies to disclose and reduce their environmental impacts by using the power of investors and customers.

The Company participated in CDP – Water Security Disclosure Program for the first time in FY 2022-2023 and received rating of "B" which is Management category.

d) **Supplier Engagement Rating Leader board - CDP**

To make truly meaningful reductions that are harmful to the environment, businesses must cascade action down the entire supply chain. To appreciate such practices, CDP's annual Supplier Engagement Rating ("SER") program evaluates corporate supply chain engagement on climate issues with the aim to accelerate global action on supply chain emissions.

The Company is proud to have earned a place as a leading company on CDP's 2022 Supplier Engagement Leader Board, for taking action to measure and reduce climate risk within its supply chain. The Company has received 'A' Score which is in the Leadership band.This is higher than the Asia Regional Average of 'C', and higher than the IT & Software Development Sector average of 'C'. Identifying and calculating emissions in all relevant Scope 3 categories is crucial for effective emissions reduction strategies. The Company's Supplier Engagement Rating Trend for last three-years showcases the commitment and engagement level.

e) **Cool roof with high SRI ("Solar Reflectance Index") coating in building terrace area**

The solar reflective coating property aims to achieve better heat reduction results. It is a thermal reflective paint and stops excessive solar heat to enter the roof. This paint has been applied to the roofs of three towers resulting in energy savings of 7.03 MWh and has helped to reduce 5.7 tCO_2e emissions.

f) **EOL (End of life) replacements and Retrofits**

The Company has performed "End of Life" assessment for high end plant and machine equipment with an intent to replace / retrofit the inefficient equipment by adopting latest technology in terms of energy efficiency, monitoring and integration capability. Included in this assessment were HVAC High side, low side, UPS etc.,Subsequently, orders have been issued for (a) UPS replacement with an investment of ₹ 766.72 Lakhs, resulting in energy savings of 1695MWh and emission reduction of 1346 tCo_2e; and (b) replacement of conventional water-cooled chiller (R134a) by Magnetic bearing chillers (R1233z) in Noida campus with investment of ₹ 412 Lakhs. giving energy savings of 554 MWh and emission reduction of 473.3 tCo_2e.

B) **Technology Absorption, Adaptation and Innovation**

The Company's Digital Transformation focus has been in six priority areas listed below with an objective to leverage technologies to deliver enhanced Stakeholder engagement, improve organization agility and to enhance flexibility.

1. **User Experience**

To provide an enhanced digital experience for the workforce with a seamless, end user centric & secure IT landscape anytime, anywhere and on any device. The new experience is being crafted with a new Digital Experience Platform for role based personalization, omnichannel multilingual experience and one click transactions. An example is the **New Joiner experience** transformed to ensure productivity on day one including access to organization's assets to learn and contribute.

2. **Process Simplification**

The objective is to simplify myriad of complex internal processes in the Company's process centric legacy systems providing services consumed by the users through implementing user centric systems. The strategy is to transform using industry proven packages and to leverage technology to strengthen integration. These have led to higher employee productivity and one such initiative is the **revamp of Internal technologies for the Hire to Retire processes.**

3. **Modernization**

The objective is to adopt Modern system building using Technology to unlock higher performance, agility, scalability, availability with lower effort with multi-cloud adoption, leverage cloud native features, low code platform use and AI / ML capabilities. The Company is focused on building an **adaptive and resilient modern workplace** which is future ready to meet the traditional, transformational, and future needs of employees and businesses with the help of Robust Infrastructure, Hybrid Cloud Solutions and Orchestration Solutions.

4. **Optimization and Automation**

To increase focus on Automation for self healing and self help and to leverage technology to drive down operating costs using Bots, RPA and software defined services for cycle time reduction for the services.

The Company continues to invest in **ESG goals** to ensure an **energy efficient IT infrastructure.** The Company is focused on achieving sustainable and improved Power Usage Efficiency ("PUE") and Footprint Reduction in HCLTech Captive Data Centers.

The Company chooses its COLO Data Centre partners, Cloud providers and Equipment suppliers based on their sustainability reports, certifications, initiatives, and targets focusing on HCLTech's goals of achieving net Carbon Zero emission.

5. **Advanced Analytics**

Enabling **Advanced analytics** related to business performance by enabling insights through **predictive analytics** and **AI / ML,** providing **self-service reporting** to empower users, and using multi-dimension data models, data warehousing and powerful Business Intelligence tools for visualization.

6. **Next Generation Security**

The objective is to provide Intel-driven, borderless and integrated business security and Cyber resilience. The Company continuously monitors & adapts its cybersecurity program in response to the internal and external threat landscape and matures its cybersecurity capabilities across various domains in accordance with the NIST framework. The Company has added behavioral analytics tools into its detection systems that help to identify and respond to threats.

The Company's **resilient IT Security system** minimizes threats and prevents attacks through regular and stringent vulnerability assessments and remediations while building a strong culture of Information Security.

C) <u>Research and Development ("R&D")</u>

I) Specific areas in which R&D was carried out

1. **Data Engineering and Artificial Intelligence ("AI")**

The Company's data engineering comprises a complete suite of services and solutions that accelerate the modernization of data platforms, enable Industry 4.0 and provide a data based foundation for digital transformation initiatives.

a) Graviton: This modern data platform acceleration suite enables enterprises to efficiently build, deploy, monitor and maintain an agile and cost efficient modern data platform.

b) Generative AI - ChatGPT for Code: The Company has started experimenting with generative AI for synthetic code generation concept leveraging industry leading language AI models like ChatGPT, Open AI Codex, GitHub CoPilot and Amazon CodeWhisperer.

c) Responsible AI - TranSecAI, Explainability: Transparent Secured Artificial Intelligence (TranSecAI) is an end-to-end explainable and secured AI enabled solution to build trust in the predictions of AI models.

d) Unlocking Product Insights: By utilizing AI / Machine Learning ("ML") techniques to analyze product telemetry data, companies can gain insights on the frequently and most used features, ways to improve product performance and user experience, user feedback from online forums, future feature priorities, and identify redundant features / products.

e) AI Lifecycle Management: AION (Automated Intelligence ON) is an AI lifecycle management platform that uses a Low-Code / No-Code approach to accelerate AI / ML model development and deployment to production.

Benefits Derived

- End-to-end consulting services and digital engineering pathways that help define data strategy and develop modernization roadmap.
- Use of AI and ML to analyze large and complex data assets and make data driven decisions more quickly and effectively via data visualization and autonomous analytics.

2. **Metaverse - AR / VR / XR**

The metaverse is still in the early stages of innovation, yet it is creating quite a buzz across industries with its potential use cases for B2C and B2B brands, as well as consumers. The Company seeks to stay ahead of this trend by leveraging AR, VR and XR to create impactful, immersive experiences.

<u>XTERN Service Delivery Platform ("SDP") is a cloud-integrated rapid XR use-case deployment platform</u>

- XTERN SDP helps develop, publish and deliver XR use-cases at scale. It provides an integrated suite of software components to develop custom

XR solutions with low-code tooling, cloud-based XR platform and customizable viewer apps for different XR devices.

- XTERN SDP supports the following XR use-cases: Virtual training, maintenance operations, remote field services, digital twin visualization and virtual collaboration.
- XTERN SDP is device-agonistic, possessing extendable platform integration capabilities with IoT / OT / IT systems to help visualize additional insights and use cases.

Benefits Derived

- Accelerated XR experience development.
- No-code / low-code authoring tool enabling citizen developers to create highly customizable XR experiences for customer specific environments and requirements.

3. 5G Telecom Solutions

Realizing the transformative potential of digital connectivity, the Company began investing in 5G as early as 2016.

The Company creates highly differentiated offerings and solutions in Core Network, RAN, etc. and continue to invest in trainings and lab infrastructure for IP development and provide resources to enhance Company's clients' 5G portfolio.

a) O-RAN Contribution:

- The Company has been contributing to the O-RAN Software Community ("OSC") since the Cherry release in December 2020 and recently have completed the G release, contributing significantly to the areas of RIC Platform and RIC Apps.
- The Company has realized the Minimum Viable Product ("MVP") by implementing E2E Traffic Steering and Predictive Load Balancing Use case in a closed-loop fashion with E2-based KPIMon and RC xApps having AI enabled intelligence.

b) 5G System integration Framework ("5G SF"):

Given the open, distributed, and disaggregated nature of the 5G network functions, the 5G SF offers flexibility to mix and match the network functions from various ecosystem players. This multivendor implementation calls for a system integrator to on-board, configure and validate the multivendor network functions in a staging environment and deploy it in the multi-cloud production environment. The Company has developed the 5G SF by leveraging its 5G Network on-boarding and eXchange (5G NOX), 5G Core Network Slice Manager (5G NSM) and 5G Service Assurance and Analytics (5G NSAA). The Company's 5G SF includes the homegrown CI / CD / CT tools (RAPID and TURBO).

c) 5G Lab as-a-Service:

The Company has invested in 5G labs in India, Europe and USA. These 5G labs have live 5G network functions from various ecosystem partners and is used as a staging environment to integrate, configure and validate multivendor network functions on multi-cloud environments, enterprise 5G use case development and interoperability testing.

d) Private 5G Network Solutions:

- The Company with its 5G ecosystem partner has developed private 5G network-in-a-box solution for enterprises to adopt 5G for their digital transformation.
- The solution provides the building blocks and best combination of the elements which can be used to construct a standalone private network for hosting wireless network infrastructure, smart services, IoT device connectivity and numerous applications. The Company's flexible and tailorable private networks solution aims at meeting the enterprises' demand of network connectivity, given their unique objectives and challenges.
- The Company has developed domain-specific 5G use cases for different scenarios such as Industry 4.0, asset track and trace, location based services and smart city applications to name a few.

Benefits Derived

- Accelerates time taken to deploy and integrate Open 5G network functions in a multi-vendor, multi-cloud environment and validate interoperability.
- Enables network automation and AI / ML based assurance solutions for network operations. It helps create and manage network slices to offer differentiated services and improve 5G monetization from enterprise customers.

4. Sustainability Engineering ("Sustaineering")

The Company's Sustaineering portfolio offers end-to-end sustainability solutions and services underpinned by strategic partnerships. The Company's comprehensive and customized services across the value chain help support its clients right from product ideation and design phase to end-of-life and sustenance.

a) PackRyte

- This is the Company's sustainable packaging solution with focus on design optimization, material engineering and smart labelling.

Benefits Derived

- Weight optimization: Up to 20 percent weight reduction.
- CBM (Cubic Meter) efficiency: Up to 8 percent in terms of boxes in a container.

b) NIO – Net Zero Intelligence Operations

NIO is HCLTech's foremost sustainability focused, IoT-led solution that aims to help its customers monitor, normalize, compare, and reduce energy consumption and GHG emissions in real time. Winner of the Cisco digital sustainability challenge 2022 - EMEA and IoT Evolution Industrial IoT Product of the year Award 2023, the solution helps clients reduce carbon emissions by optimizing the energy intensity of assets and processes.

Benefits Derived

- Reduction in carbon emissions by 8-10 percent.
- Significant Energy User's ("SEU") identification and overall energy savings by 7-10 percent.
- Adherence to compliance reporting (GHG, GRI, ISO-50001 etc).

5. Semiconductor

As technologies emerge and converge, they have placed lot of pressure on semiconductor chip design cycles and design costs. The Company leverages its Spec-to-Part offerings and end-to-end design and manufacturing experience to help semiconductor organizations to increase their speed of innovation, enabling higher on demand compute capacity and enhanced flexibility.

a) Controller for 5G infrastructure

The deployment of 5G infrastructure is resulting in significant investment in the upgrade of network infrastructure including base stations. Radio Frequency ("RF") front-end modules require customized solutions for optimal configuration and operational control.

The Company designed a fully integrated controller Silicon on Chip ("SOC") for RF front ends providing network infrastructure solutions. The controller SOC include ARM processor core, security functions, on-chip Static Random Access Memory ("SRAM"), on-chip non-volatile memory, standards-based digital peripherals and a set of custom mixed signal interfaces to facilitate RF front end processing and control.

b) High-speed Interconnect

In the last few years, use of Chiplets has risen significantly due to increasing size of semiconductor designs. For a high performance design, very high speed and high bandwidth interconnect between the Chiplets (die-to-die interconnect) is required.

- Advanced Interface Bus ("AIB") 2.0 is a second generation specification for die-to-die interconnect.
- The Company has developed an AIB 2.0 compliant IP for die-to-die interconnects.

c) SemiCloud - Electronic Design Automation ("EDA") on Cloud

- A cloud-ready HCLTech EDA environment for different EDA scenarios that facilitates workload migration. Successful implementations include pre-silicon verification on AWS and Trailblazing Synopsys EDA on Azure for physical design.

6. Cochlear Implant development

The Cochlear Implant ("CI") medical device is an advanced hearing assistance device which can restore hearing to patients with Disabling Hearing Loss where normal hearing aids are not effective.

- Significant benefits to the hearing impaired at a competitive price point. Cadaver trials are successfully completed. Approvals from CDSCO (Central Drugs Standard Control Organization, Government of India) and CTRI (Clinical Trials Registry – India) regulatory bodies are obtained, which are prerequisites for performing Human Clinical trials.
- As part of the CDSCO approval, activities related to the Pilot Clinical Trials are going on.
- Along with the device, the entire ecosystem software has been developed, including the audiologist application software. This audiologist application software is also being utilized in Pilot Clinical Trial activities. Rehabilitation application software which helps accelerate the learning process for patients with Cochlear Implants is in advanced stages of development.

Benefits Derived

- Industry leading technology accessible at a competitive price point to end users which will enable more users to recover from disabling hearing loss and improve their quality of life.
- First-of-its-kind cloud-based rehabilitation software with lesson content created by internationally certified rehabilitation therapists. This will reduce dependency on rehabilitation therapists leading to reduced cost of therapy and improved end user compliance.

7. Cloud wise R&D Details

7.1 Business Cloud

Products in business solutions portfolio of the Company are designed to support the entire user lifecycle. By providing industry leading system integration, the Company has earned the trust of all users, including IT, business, employees, and customers. From applications to endpoints, the Company can scan 1.5 million lines of code every hour and manage 100 million devices every day.

a) HCL Commerce Cloud

It is a modern enterprise grade omni-channel eCommerce platform that automates & accelerates the creation and management of online stores at scale and across multiple geographies.

Key features and benefits

- Extensive Sales & Business Model Support: Single commerce platform to support B2B, B2C, and B2B2C.

- Optimized User Experience: Through integrated out-of-box storefronts.
- Improved Performance, Scalability, and Security.
- Cloud - Native: Support a wide selection of cloud deployment of customers' choice.

New Solution

- A Native Marketplace solution allowing owners to onboard third-party sellers onto the platform and provide a single catalog of goods and services to customers with all seller SKUs, pricing, and inventory for their customers.

Future plan of action

- Enhanced marketplace capabilities like enhanced post order capabilities, adding new language to NLP, etc.

b) HCL Marketing Cloud

HCL Unica is an integrated, cloud-native marketing platform that powers precision marketing at Scale.

Key features and benefits

- Elevated marketer experience through an intuitive UI / UX
- Unified Powerful Search for better user productivity and efficiency across the suite.
- Unified Data Management, for centralized management, audience identity management across channels.
- Support a wide selection of cloud deployment platforms based on the customer.

New solution

- HCL Unica & European Cricket Network ("ECN") have teamed up to create the ultimate cricket fan experience. ECN leverages Unica's real time interaction capabilities, best-in-class segmentation, behavioural insights, and fan journey mapping to engage fans at every step of their experience across all their engagement channels.

Future plan of action

- Cognitive insights and optimized customer engagement through better personalization and smarter campaigns.

c) HCL IntelliService

An AI Service Optimization platform aimed at evolving customer service into customer success by leveraging cutting edge technologies such as conversational AI, cognitive search, and AI / ML to provide self-service capabilities for end users thereby effectively reducing / deflecting tickets and calls to the service desk and increasing CSAT scores.

Key features and benefits

- Conversational AI serves its customers effectively leveraging guided transactions and SmartFAQ. The Conversational Designer for building conversational flows ensures quick development of automation workflows.
- Rich configurability allows easy configurations of utterances, seamless business system integration.
- Cognitive search provides users relevant and contextual response for their questions.
- Knowledge Mining automatically navigate the user to the page from which results are shown.

Future plan of action

- Integration with Unica, DX, Commerce to increase the effectiveness of marketing lead capture.
- Cross platform integration with Quest, Volt MX for a strong play in Aftermarket services.
- Pre-built templates across multiple verticals to fast-track deployment cycle and time to value.

7.2 Hybrid Data Cloud

Customers demand a data platform that is dependable, adaptable, and simple to use. The Company deliver on that promise with its analytics database and cloud data platform.

a) Avalanche

Transform business by simplifying how you connect, manage, and analyse data with the Avalanche Cloud Data Platform.

Key features and benefits

- Integration for JIRA ITSM, BigFix etc.
- Deliver personalized, consistent customer experiences with Customer 360.
- Provide real-time analytics by taking full advantage of the CPU, RAM, and disk to store, compress, and access data with unmatched performance.
- Move towards better BI with integration of more data sources and decrease the amount of data preparation needed to analyse and visualize complex data in BI reports and dashboards.
- Detect anomalies before they impact your business.
- Reclaim efficiency in claims processing.

Future plan of action

- Schema versioning via zero copy cloning and Expanded ML Capabilities.
- Out-of-the-box solutions for healthcare, financial payments and supply chain ED.

- Data sharing enables customers to share live, secure, and governed data across accounts, regions, and clouds (Phase 1 will be read-only; Phase 2 will be read-write).

- Expanded ML Capabilities.

7.3 Unified AppDev Cloud

From securely collaborating and automating an organization's core processes to creating great omnichannel and contextual multi-experiences, this solution help companies around the world to transform digitally.

a) Volt MX

HCL Volt MX is an industry leading mobile and multi-experience low-code app-dev platform for professional developers to deliver consumer grade digital solutions rapidly.

Key features and benefits

- High fidelity multi experiences on any device.

- True low-to-pro code app dev with no limit's integration and automation.

- Open development and deployment strategies.

New solution

- Volt MX Go, an enhanced Volt MX edition that unlocks the power of existing Domino Apps with a choice of deployment cloud, on-premises, or hybrid.

Future plan of action

- Integrations with voice assistants, Augmented Reality ("AR"), and Virtual Reality ("VR").

- Support to build MacOS and Windows11 apps.

- Support for new wearables interactions and LiDAR.

b) Digital Experience

HCL DX is purpose built to develop, deliver, and manage business critical digital experiences that serve Company's customers, employees, and partners.

Key features and benefits

- Improve user experience with less code as well as easy integration and automation.

- Cloud-native deployment lowers the Total Cost of Ownership ("TCO").

Future plan of action

- Enable content composer capability that integrates with Unica to provide design options.

- AI-assisted summary and tag generation functionalities.

- APIs and Software Development Kits ("SDKs") for developers to build Single Page Applications ("SPA").

7.4 Intelligent Automation Cloud

Transforming and simplifying IT and Business operations by leveraging AI and Cloud.

a) IntelliOps

DRYiCE IntelliOps is an integrated, full-stack AIOps and observability solution bundle that manages end-to-end agile IT infrastructure for resilient, predictive, and continuously available digital services aligned to core business objectives.

Key features and benefits

- ML driven event correlation engine.

- Business insights and patterns generated from large complex datasets.

- Device or capability oriented monitoring.

- User behaviour monitoring.

- Persona based reporting.

- Predictive analytics and forecasting.

- Service status and availability metrics.

- Historical health and performance telemetry.

Future plan of action

- Implementation of iOnboard module within the platform.

- Addition of more products in IntelliOps offering.

b) iControl

DRYiCE iControl enables the Enterprise Control Centre, delivers real time business flow observability, bringing insight to leaders from CXOs down to the level of on ground operations teams into business relevant controls by creating meaningful views from both business and technology perspectives.

Key features and benefits

- Enhanced widgets and GCP readiness.
- Realtime process performance visualization.
- Customizable persona based dashboards and reporting.
- Flexible data grouping and weighted aggregations.
- Historical and predictive analytics.
- Business controls powered by rules engine.

Future plan of action

- MIS reporting and support for BI tools, health score simulator and weighted drill-down.

- ML for recommendation engine, non-numeric target types.

- SMS / Email alert and push notification mechanisms.
- Data ingestion adaptors, API to allow import / export of flows, display audit history, and copy flow feature.

c) BigFix

HCL BigFix is the world's leading unified endpoint management platform, enabling IT Ops and security teams to fully automate discovery, management, and remediation regardless of the operating system, location or connectivity.

Key features and benefits

- Server Automation to run multiple plans in parallel, allowing more automation for more endpoints.
- BigFix Insights streamline visibility and remediation of detected vulnerabilities, uniting security and IT.
- Modern user experience and security with patch policy's ability for intelligent remediation.

New solution

- BigFix on Cloud combines the power of BigFix endpoint management with the Company's global cloud-based managed services to accelerate time to value and lower capital costs.
- BigFix Cyber FOCUS Analytics, prioritize and patch critical vulnerabilities and reduce cybersecurity risk in real-time across global desktop, mobile, data centre, cloud, and IoT landscape with a single console.
- BigFix Runbook AI is an Intelligent Runbook Automation product equipped with Artificial Intelligence, Machine Learning, and Natural Language Processing capabilities for simplifying and automating the IT Operations and resolution.

Future plan of action

- CyberFocus, the next intelligent and policy-driven remediation.
- AI and ML automation around user workspace management, secure infrastructure, and software asset management.

8. Verticalized Offerings: Telecom

HCLTech's Industry Software Division creates leading edge products for telecom as well as PLM. Few of the important products from the portfolio are as follows:

a) SMARTWiFi

HCL SMARTWiFi is a cloud-native, containerized secure Wi-Fi network management platform for use by Communication Service Providers ("CSP") and Managed Service Providers ("MSP"). Using open technologies, SMARTWiFi centrally manages Access Points ("AP") for Wi-Fi deployments across multiple sites to improve performance for WLAN networks.

Key features and benefits

- Powerful and intuitive cloud-based AP management that eliminates the complexity of on premises wireless controller hardware.
- Lower Total Cost of Ownership ("TCO") than traditional offerings with a 40-60% saving based on volume and choice of access points.

Future plan of action

- Support for 5G CPE devices.
- IoT protocols for smart homes.
- Dedicated analytics platform supporting number of use cases using AI / ML.

b) ANA (Augmented Network Automation)

HCL ANA platform leverages ML and Analytics to reduce network management complexity with closed loop automation and orchestration of the radio access network.

Key features and benefits

- Quickly deploy and optimize 3G / 4G / 5G wireless networks and services.
- Improved TCO and reduced energy without degrading subscribers' quality of experience.
- Reduced CAPEX and OPEX with flexibility and scalability.

Future plan of action

- Private LTE / 5G / CBRS.
- RAN service optimization.
- Slice optimization.
- New ML driven apps.

9. Shared Engineering R&D

a) SoFy (Solution Factory)

HCL SoFy is a cloud-native solution marketplace that enables deploying HCL Software products to any public, private, or hybrid cloud in minutes.

Key features and benefits

- All HCLSoftware cloud-native products GA in SoFy catalog.
- Easy deployment of cloud-native HCLSoftware to any cloud-native environment.
- Provides common services to make running in Kubernetes easier.
- Cloud-native repository to access HCLSoftware product containers and Helm charts.
- Easily search for any cloud native HCL product and business solutions.

New solution

- HCL SoFy 2.0 is designed with new capabilities to help HCL Software business partners grow their business and accelerate the sales cycle.

Future plan of action

- Product-specific catalogs, marketplaces, and downloads of product add-ons.

- Ecommerce integration with "Buy It" or "Quote it" self-service purchase experience.

b) SPARC

HCLSoftware has 70+ products offerings, supporting various functional domains. The recently launched Software Product Advanced Research Centre ("SPARC") allows HCLSoftware to become a leading innovative product organization in the world. This is to secure innovation in the HCLSoftware DNA while also matching the speed at which the technical landscape is changing.

Major focus areas

- Helps in designing a structured approach towards ideation and innovation.

- Increases collaboration internally and externally.

- Helps in development of Intellectual Property.

- Works in the areas of AI, cloud, security, metaverse and quantum computing.

II) Expenditure on R&D for the years ended March 31, 2023 and March 31, 2022 are as follows:

(₹ in crores)

Particulars	Financial Year ended	
	March 31, 2023	March 31, 2022
R&D amount charged to the statement of Profit and Loss	552	522
R&D expenditure as a percentage of revenues	1.19%	1.28%

D) Foreign Exchange Earnings and Outgo

The Company is an export-oriented unit and majority of its business are from certain clients outside India. During the financial year under review, a substantial portion of the revenue of the Company was derived from the exports.

The foreign exchange earned and spent by the Company during the financial year, on accrual basis, is as follows:

(₹ in crores)

Particulars	Financial Year ended	
	March 31, 2023	March 31, 2022
Foreign exchange earnings	**40,884**	**35,935**
Foreign exchange outgo		
- Expenditure in foreign currency	6,451	6,702
- CIF value of imports	366	520
- Dividend remitted in foreign currency	2,041	1,786
	8,858	**9,008**

For and on behalf of the Board of Directors
of **HCL Technologies Limited**

ROSHNI NADAR MALHOTRA
Chairperson
DIN: 02346621

Place: Noida (U.P.), India
Date: April 20, 2023

Annexure 5 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, 2023 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 a going concern 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
of **HCL Technologies Limited**

ROSHNI NADAR MALHOTRA
Chairperson
DIN: 02346621

Place: Noida (U.P.), India
Date: April 20, 2023

CORPORATE GOVERNANCE REPORT

The Company believes that good governance facilitates efficient, effective and entrepreneurial management that can deliver stakeholder value over long 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 forms the foundation for successful and integral organizations, institutions, and markets. It is based on the principles of integrity, fairness, equity, transparency, accountability, and commitment to values. These practices stem from an organization's culture and mindset, and their effectiveness depends on regular review, preferably by independent parties.

The Company has developed a corporate governance framework which ensures effective board governance procedures, strong internal control systems, accountability and transparency. The Company has implemented various codes and policies to ensure best corporate governance practices at all levels. By upholding these practices, the Company aims to create an efficient and sustainable environment that benefits its stakeholders in the long run. The Company is committed in seeking opportunities for improvements on an ongoing basis.

1. PHILOSOPHY ON CODE OF GOVERNANCE

The corporate governance philosophy of the Company is based on the following principles:

- Follow the spirit 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.
- Make a clear distinction between personal convenience and corporate resources.
- Communicate externally, in a truthful manner, about how the Company runs internally.
- Have a simple and transparent corporate structure driven solely by business needs.
- Comply with the laws of 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 workplace 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 its stakeholders.

2. BOARD OF DIRECTORS

The Board of Directors ("Board") 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 strategic supervision.

The Board 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-term 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. The Board ensures that the Company complies with all relevant laws, regulations, governance practices, secretarial, accounting and auditing standards. It identifies key risk areas and key performance indicators of the Company's business and constantly monitors 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.

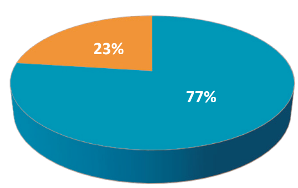
3. BOARD SIZE AND COMPOSITION

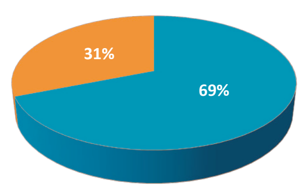
The Board is at the core of the Company's corporate governance practices and oversees how the management serves and protects the long-term interests of all the stakeholders. The Company believes that an active, well informed and diversified Board is necessary to achieve highest standards of corporate governance.

The Board of the Company has an optimum combination of Executive Director, Non-Executive Non-Independent Directors and Independent Directors. The composition of the Board of Directors is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Sections 149 & 152 of the Companies Act, 2013 ("Act").

As on March 31, 2023, the Board of Directors of the Company consists of thirteen directors of which one is a Managing Director (designated as Chief Executive Officer ("CEO") & Managing Director), two are Non-Executive Non-Independent Directors and ten are Independent Directors. In line with the Board's Diversity policy, there is a representation of four women directors.

The brief profile of Board Members is available on the website of the Company at https://www.hcltech.com/leadership.





■ Independent Directors

■ Non-Independent Directors (Executive & Non-Executive Directors)

■ Men ■ Women

Re-appointment of Directors

i) As per the provisions of Section 152 and other applicable provisions of the Act & the Rules made thereunder and in terms of the Articles of Association of the Company, Ms. Roshni Nadar Malhotra (DIN - 02346621) who was liable to retire by rotation at the Annual General Meeting ("AGM") of the Company held on August 16, 2022 had offered herself for re-appointment. The Board of Directors of the Company, after considering the relevant experience, expertise and integrity and recommendations of the Nomination and Remuneration Committee ("NRC"), recommended to the shareholders the re-appointment of Ms. Roshni Nadar Malhotra (DIN - 02346621) as a director, liable to retire by rotation. The said re-appointment was approved by the shareholders with requisite majority at the AGM of the Company held on August 16, 2022.

ii) As per the provisions of Section 152 of the Act & the Rules made thereunder and in terms of the Articles of Association of the Company, Mr. Shikhar Malhotra (DIN - 00779720) shall be liable to retire by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment as the Director of the Company, liable to retire by rotation. The Board of Directors of the Company, after considering the relevant experience, expertise and integrity and recommendations of the NRC, approved to recommend to the shareholders the re-appointment of Mr. Shikhar Malhotra (DIN - 00779720) as a director, liable to retire by rotation, at the ensuing AGM of the Company.

4. COMPOSITION OF THE BOARD AND NUMBER OF DIRECTORSHIP(S) AND COMMITTEE MEMBERSHIP(S) / CHAIRMANSHIP(S) HELD AS ON MARCH 31, 2023 IN HCL TECHNOLOGIES LIMITED AND OTHER PUBLIC LIMITED COMPANIES ARE AS FOLLOWS:

Name of the Director and DIN	Position in the Company	No. of Directorships in Public Limited Companies	No. of Committee Memberships in Public Limited Companies (1)	No. of Committee Chairmanships in Public Limited Companies (1)	No. of shares held in the Company	Other Listed Companies where the Director is appointed as a Non-Executive Independent Director
Ms. Roshni Nadar Malhotra (2) (DIN - 02346621)	Chairperson & Non-Executive Non-Independent Director	2	1	-	696	1. HDFC Asset Management Company Limited
Mr. C. Vijayakumar (DIN - 09244485)	CEO & Managing Director	1	-	-	4,25,000	-
Mr. Deepak Kapoor (DIN - 00162957)	Non-Executive Independent Director	4	5	2	Nil	1. TATA Steel Limited 2. Delhivery Limited
Mr. S. Madhavan (DIN - 06451889)	Non-Executive Independent Director	5	8	4	5,000	1. Transport Corporation of India Limited 2. ICICI Bank Limited 3. Sterlite Technologies Limited 4. Procter & Gamble Health Limited
Dr. Mohan Chellappa (DIN - 06657830)	Non-Executive Independent Director	1	-	-	Nil	-
Ms. Nishi Vasudeva (DIN - 03016991)	Non-Executive Independent Director	6	8	1	50	1. L&T Infra Credit Limited 2. Hitachi Energy India Limited
Ms. Robin Ann Abrams (DIN - 00030840)	Non-Executive Independent Director	1	1	-	Nil	-
Dr. S. Shankara Sastry (DIN - 05331243)	Non-Executive Independent Director	1	-	-	Nil	-
Mr. Shikhar Malhotra (2) (DIN - 00779720)	Non-Executive Non-Independent Director	1	1	-	Nil	-
Mr. R. Srinivasan (DIN - 00575854)	Non-Executive Independent Director	2	-	-	Nil	-
Mr. Simon John England (DIN - 08664595)	Non-Executive Independent Director	1	-	-	Nil	-
Mr. Thomas Sieber (DIN - 07311191)	Non-Executive Independent Director	1	-	-	Nil	-
Ms. Vanitha Narayanan (DIN - 06488655)	Non-Executive Independent Director	1	-	-	Nil	-

Notes:

(1) In accordance with the Regulation 26 of the Listing Regulations, Membership(s) / Chairpersonship(s) of only Audit Committees and Stakeholders' Relationship Committees in all public limited companies have been considered.

(2) Mr. Shikhar Malhotra and Ms. Roshni Nadar Malhotra are related as Husband and Wife. No other director is related to any other Director on the Board.

5. SUMMARY OF DIRECTORS' SKILLS / EXPERTISE

In order to effectively discharge their duties, it is necessary that collectively the Directors hold the appropriate balance of skills, experience and expertise. The Board possesses diverse skills and expertise across its members, that enables the Board to take decisions comprehensively and effectively on all matters.

The Board's current Skills Matrix includes the following attributes:

	Ms. Roshni Nadar Malhotra	Mr. C. Vijayakumar	Mr. Deepak Kapoor	Mr. S. Madhavan	Dr. Mohan Chellappa	Ms. Nishi Vasudeva	Ms. Robin Ann Abrams	Dr. S. Shankara Sastry	Mr. Shikhar Malhotra	Mr. R. Srinivasan	Mr. Simon John England	Mr. Thomas Sieber	Ms. Vanitha Narayanan
Leadership Innate leadership skills including the ability to represent the organization and set appropriate Board and organization culture. Demonstrated strengths in talent development, succession planning and bringing change and long-term future growth.	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Strategic Planning and Analysis Ability to critically identify and assess strategic opportunities and threats and develop effective strategies in the context of long-term objectives and the organizations' relevant policies and priorities.	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Information Technology Reasonable knowledge and experience in technology with an ability to foresee technological trends and changes, apply new technology and bring about innovations in business strategies.	Y	Y	-	-	Y	Y	Y	Y	Y	Y	Y	-	Y
Governance Understanding of the various governance and compliance requirements under various applicable laws, supporting a strong broad base and management accountability, transparency, and protection of shareholder interests.	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	-	Y

	Ms. Roshni Nadar Malhotra	Mr. C. Vijayakumar	Mr. Deepak Kapoor	Mr. S. Madhavan	Dr. Mohan Chellappa	Ms. Nishi Vasudeva	Ms. Robin Ann Abrams	Dr. S. Shankara Sastry	Mr. Shikhar Malhotra	Mr. R. Srinivasan	Mr. Simon John England	Mr. Thomas Sieber	Ms. Vanitha Narayanan
Financial Wide ranging knowledge and financial skills, oversight for risk management and internal controls and proficiency in financial management and financial reporting processes.	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	-	Y
Diversity An appropriate mix of varied cultures, ethnicity, geography, gender, age, philosophies, life experiences and other diversity perspectives that expand the Boards' understanding of the needs of diverse stakeholders and a better ability to respond to changes.	Y	Y	-	-	Y	Y	Y	Y	Y	Y	Y	Y	Y
Mergers & Acquisitions Significant experience in mergers and acquisitions and other business combinations, with strong insight of risks and opportunities, valuations and diligence processes, structural impact on the organization, and ability to leverage integration planning.	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	-	-	Y
Global Business Understanding of diversified business environments, economic, political, cultural and regulatory framework across the globe, and a broad perspective on global market opportunities.	Y	Y	Y	Y	Y	-	Y	Y	Y	Y	Y	Y	Y
Marketing and Communications Ability to analyze the market and technological impacts, developing strategies for brand awareness and brand building and enhancing market share.	Y	Y	-	-	Y	Y	Y	Y	Y	Y	Y	-	Y

6. MEMBERSHIP ON OTHER BOARDS

Non-Executive Directors are expected not to serve on the boards of competing companies. Other than this, there is no limitation on the directorships except those imposed by law and good corporate governance practices.

7. DIRECTORS' RESPONSIBILITIES

a) In addition to the duties and responsibilities entrusted on the Directors of the Company as per the provisions of the Act and Listing Regulations, 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.
- 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.
- Evaluating the overall effectiveness of the Board and its Committees.
- Attending the meeting of the Board & its Committees and also attending the Annual General Meeting & other General Meetings of the shareholders.

b) **Exercise business judgement:** In discharging their fiduciary duties of care and loyalty, the Directors are expected to exercise their business judgement 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.

d) **Establish effective systems:** The Directors are responsible for determining that effective systems are in place for periodic and timely reporting by the management to the Board on important matters concerning the Company including the following:

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

8. BOARD AND COMMITTEE MEETINGS - FUNCTIONING AND PROCEDURE

Calendar	The probable dates of the Board / Committee meetings for the forthcoming financial year are decided in advance and published as part of this Report.
Frequency	The Board meets at least once in a quarter to review the financial 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.
Location	The venue of attending the Board / Committee meetings is informed well in advance to all the Directors. Every Director is expected to attend the meetings in person. The Company effectively uses video-conferencing facility to enable the participation of Directors who are not able to attend the meetings in person.
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 and / or its Committee(s). All such matters are communicated to the Company Secretary in advance so that the same can be included in the agenda for the Board / Committee meetings, after seeking approval of the Chairperson of the Board / respective Committee.
Meeting material / agenda distributed in advance	Meetings are governed by the structured agenda. The agenda for each Board / Committee meeting is circulated in advance to the Directors. The agenda items are backed by the comprehensive background information. All material information is incorporated in the agenda facilitating meaningful and focused discussions in the meeting. Every Director is free to suggest items for inclusion in the agenda. Also, the Company has adopted a web-based application for transmitting Board / Committee Agenda(s).
Presentations by management	The Board is given presentations covering operational performance, financials and major updates on business opportunities, business strategy, risk management practices, treasury / forex, tax, litigation, changes in applicable law(s), etc.
Access to employees	The Directors are provided free access to communicate with the officers and employees of the Company. Management is encouraged to invite the Company personnel to any Board / Committee(s) 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 and capital expenditure budgets, 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 as well as on 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 and secretarial compliance reports 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, significant changes in laws, sale of any material nature, etc.
Post meeting follow-up mechanism	The guidelines for Board and Committee 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 meetings are promptly communicated to the concerned departments / divisions. Action taken report on the decisions of the previous meeting(s) is placed at the subsequent meetings of the Board / Committee(s) for information and review by the Board / respective Committee(s).

9. BOARD MEETINGS AND ATTENDENCE

Five Board Meetings were held during FY 2022-23. These meetings were held on April 20-21, 2022, May 6, 2022, July 12, 2022, October 12, 2022 and January 12, 2023. The necessary quorum was present at all the meetings and Independent Directors were also present in such meetings. The maximum interval between any two meetings did not exceed 120 days.

The following table gives the attendance of the Directors at the Board Meetings held during FY 2022-23 and at the last AGM:

Name of the Directors	No. of Board meetings held during Director's tenure	No. of Board meetings attended by Director during his / her tenure	Attendance (%)	Whether last AGM attended
Ms. Roshni Nadar Malhotra	5	5	100	Yes
Mr. C. Vijayakumar	5	5	100	Yes
Mr. Deepak Kapoor	5	3	60	Yes
Mr. S. Madhavan	5	5	100	Yes
Dr. Mohan Chellappa	5	5	100	Yes
Ms. Nishi Vasudeva	5	5	100	Yes
Ms. Robin Ann Abrams	5	5	100	Yes
Dr. S. Shankara Sastry	5	4	80	Yes
Mr. Shikhar Malhotra	5	5	100	Yes
Mr. R. Srinivasan	5	5	100	Yes
Mr. Simon John England	5	4	80	Yes
Mr. Thomas Sieber	5	3	60	Yes
Ms. Vanitha Narayanan	5	4	80	Yes

10. DECLARATION BY INDEPENDENT DIRECTORS

Every Independent Director, at the first meeting of the Board in which he / she participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he / she meets the criteria of Independence as provided under Section 149 of the Act and applicable rules made thereunder and Regulation 16(1)(b) & 25(8) of the Listing Regulations. The Company has received necessary declarations from each Independent Director that he / she meets the criteria of Independence in terms of the Act and Listing Regulations.

Further in compliance with Rule 6(1) and Rule 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, the Independent Directors have confirmed that they have applied online for inclusion of their name in the data bank of independent directors and have filed an application for renewal, as applicable.

Based on the disclosures received from all the Independent Directors and also in the opinion of the Board, the Independent Directors fulfill the conditions as specified in the Act and the Listing Regulations and are independent of the Management of the Company.

11. MEETING OF THE INDEPENDENT DIRECTORS

In terms of the provisions of the Act and the Listing Regulations, the Independent Directors of the Company shall meet at least once in a financial year, without the presence of Executive and Non-Independent Directors and members of management. The Independent Directors met on March 23, 2023 *inter-alia* discussed and reviewed:

- 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 the Executive Directors and Non-Executive Directors; and
- 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.

12. BOARD EVALUATION

The Board, pursuant to the provisions of the Act and Listing Regulations has carried out an Annual Evaluation of its own performance, performance of the Board Committees and of the individual Directors (including the Independent Directors) on various parameters.

The criteria for the evaluation of the performance of the Board, the Committees of the Board and the individual Directors, including the Chairperson of the Board was approved by the Nomination and Remuneration Committee ("NRC") of the Company.

The Board considered the aforesaid evaluation done by the independent Directors in their meeting and undertook the annual performance evaluation that included review of the Board evaluation framework, review the performance of the Board as a whole, review the performance of the Board Committees, review the performance of Individual Directors including Independent

Directors and review the fulfillment of the independence criteria and their independence from the management.

The Board evaluated the performance of the Board as a whole after seeking inputs from all the directors on the basis of criteria such as Board composition and structure, effectiveness of board processes, information and functioning, etc. The performance of the individual directors (including the Independent Directors) was reviewed by the Board on the basis of criteria such as contribution of individual Director to the Board and Committee meetings, preparedness on the issue to be discussed, meaningful and constructive contribution and inputs in the meetings etc. The performance of the Board Committees was evaluated by the Board after seeking inputs from the Committee members on the basis of the criteria such as composition of Committees, effectiveness of Committees, etc. In addition, the Chairperson of the Board was also evaluated on the key aspects of her role.

13. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Independent 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 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, the Independent Directors are issued a letter of appointment setting out in detail the terms of appointment including their roles, functions, responsibilities and their fiduciary duties as a Director of the Company. A draft letter is available on the website of the Company and the weblink for the same has been provided at the end of this report.

14. BOARD DIVERSITY

The Company recognizes its obligation to maintain a diverse Board. The Company considers that the concept of diversity incorporates several different aspects, such as professional experiences, business perspectives, skills, knowledge, gender, age, culture, educational background and ethnicity.

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 Diversity policy of the Company is available on the website of the Company and the weblink for the same has been provided at the end of this Report.

15. 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 actions.

Keeping in view the requirements of the Act as well as the Listing Regulations, the Board has approved 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 and / or for approval.

All decisions / recommendations made by various Board Committees during FY 2022-23 were noted / accepted by the Board.

16. FREQUENCY AND LENGTH OF MEETING OF THE COMMITTEES OF THE BOARD AND AGENDA

The Chairperson of each Committee of the Board, in consultation with the 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 in advance with all the members of the Committee.

17. CHAIRMANSHIP / MEMBERSHIP OF DIRECTORS IN COMMITTEES OF THE BOARD OF DIRECTORS OF THE COMPANY AS ON MARCH 31, 2023

S. No.	Director	Audit Committee	Nomination and Remuneration Committee	Stakeholders' Relationship Committee	Corporate Social Responsibility Committee	Finance Committee	Risk Management Committee	ESG & Diversity Equity Inclusion Committee
Executive Director								
1.	Mr. C. Vijayakumar	NA	NA	NA	NA	NA	NA	NA
Non-Independent Non-Executive Directors								
2.	Ms. Roshni Nadar Malhotra	NA	Member	Member	Chairperson	Member	NA	Member
3.	Mr. Shikhar Malhotra	NA	NA	Member	NA	Member	NA	NA
Independent Non-Executive Directors								
4.	Mr. Deepak Kapoor	Member	NA	NA	NA	NA	Member	NA
5.	Mr. S. Madhavan	Chairperson	NA	Chairperson	Member	Chairperson	Chairperson	NA
6.	Dr. Mohan Chellappa	NA	Member	NA	Member	NA	NA	NA

S. No.	Director	Audit Committee	Nomination and Remuneration Committee	Stakeholders' Relationship Committee	Corporate Social Responsibility Committee	Finance Committee	Risk Management Committee	ESG & Diversity Equity Inclusion Committee
7.	Ms. Nishi Vasudeva	Member	NA	NA	NA	NA	Member	NA
8.	Ms. Robin Ann Abrams	Member	Member	NA	NA	NA	Member	Chairperson
9.	Dr. S. Shankara Sastry	NA	NA	NA	NA	NA	NA	NA
10.	Mr. R. Srinivasan	NA	Chairperson	NA	NA	Member	NA	NA
11.	Mr. Simon John England	NA	NA	NA	NA	NA	NA	Member
12.	Mr. Thomas Sieber	NA	NA	NA	NA	Member	NA	NA
13.	Ms. Vanitha Narayanan	NA	Member	NA	NA	NA	NA	NA

i) Audit Committee

The Audit Committee of the Company comprises of four members. The Committee is chaired by Mr. S. Madhavan, an Independent Director of the Company. Mr. Deepak Kapoor, Ms. Nishi Vasudeva and Ms. Robin Ann Abrams are the other members of the Committee, all of whom are Independent Directors.

The Company Secretary acts as a Secretary to the Committee.

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

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

b) Review and monitor Independence and Performance of Statutory Auditors and Effectiveness of Audit Process

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

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

f) Review 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 management;
4) Qualifications in draft audit report;
5) Significant adjustments made in the financial statements arising out of audit;
6) The going concern assumption;
7) Compliance with accounting standards;
8) Compliance with stock exchange and legal requirements concerning financial statements;
9) Any related party transactions i.e. transactions of the Company with its subsidiaries, promoters or the management, or their relatives, etc. that may have conflict with the interest of the Company at large;
10) Contingent liabilities;
11) Status of litigations by or against the Company; and
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 Financial Statements

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

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

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 auditor and the senior internal auditor to the extent deemed appropriate by the Chairperson of the 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 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 Chairperson of the Audit Committee in appropriate or exceptional cases. Matters referred and the action taken shall be regularly reported to the 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 and 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 Ombudsperson Function or the Whistleblower 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 Committee have a conflict of interest in a given case, they should recuse themselves and the others on the 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 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 Committee shall approve the appointment of the CFO (the whole-time Finance Director or any other person heading the finance function) after assessing the qualifications, experience and background etc. of the candidate.

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 related party transaction 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;

6) Inter-corporate loans and investments including review of utilization of loans and / or advances from investment by the Company in any of its subsidiary exceeding the prescribed limit of the asset size of the subsidiary as provided in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

7) Valuation of undertakings and assets of the Company whenever necessary; and

8) Internal control system in regard to prevention of insider trading.

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 arm's length basis shall be placed before the Audit Committee together with the management justification for the selection of the related party and the price and other terms agreed.

4) 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 arms' length principle, with suitable explanations for any departures, the Committee shall periodically approve the related party transactions.

Explanation:

a) "Related Party Transaction" means a transaction envisaged as a related party transaction defined under the Companies Act, 2013 or under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendments thereof).

b) "Related Party" means a related party as defined under the Companies Act, 2013, rules made thereunder and under applicable accounting standards and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendments thereof).

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 Committee or any matter in which they are invited by the 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 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 Committee and the Committee shall send its reply or observations to the Auditor and such matters shall be reported to the Board by the 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 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 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 the terms and conditions and the appointment of a registered valuer having the requisite qualifications and experience.

ad) Review of scheme of restructuring

The Audit Committee shall review and provide its comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the company and its shareholders.

Nine meetings of the Audit Committee were held during FY 2022-23. These meetings were held on April 4, 2022, April 21, 2022, July 1, 2022, July 12, 2022, September 27, 2022, October 12, 2022, December 20, 2022, January 12, 2023 and March 28, 2023. The necessary quorum was present at all the meetings. The maximum interval between any two meetings did not exceed 120 days.

Attendance details of each member at the Audit Committee meetings held during FY 2022-23 are as follows:

Name of the Committee Member	Position	No. of meetings held	No. of meetings attended
Mr. S. Madhavan	Chairperson	9	9
Mr. Deepak Kapoor	Member	9	8
Ms. Nishi Vasudeva	Member	9	9
Ms. Robin Ann Abrams	Member	9	9

ii) Nomination and Remuneration Committee

The Company's Nomination and Remuneration Committee ("NRC") comprises of five members including four Independent Directors. The Committee is chaired by Mr. R. Srinivasan, Independent Director of the Company. Dr. Mohan Chellappa, Ms. Roshni Nadar Malhotra, Ms. Robin Ann Abrams and Ms. Vanitha Narayanan are the other members of the Committee.

Terms of Reference

The terms of reference of the NRC 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 (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 and the functional heads.

c) Review of criteria to carry out the performance evaluation of the Board as a whole and individual Directors.

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) Devise a Policy on Board Diversity.

g) Review and approve / recommend the remuneration for the Senior Management / Key Managerial Personnel of the Company.

h) Approve inclusion of senior officers of the Company as part of the Senior Management.

i) Approve promotions of the Senior Management / Key Managerial Personnel.

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 / associate 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 FY 2022-23, the NRC met six times on April 15, 2022, June 19, 2022, July 5, 2022, August 22, 2022, November 14, 2022 and December 23, 2022. The necessary quorum was present at all the meetings.

Attendance details of each member at NRC meetings held during FY 2022-23 are as follows:

Name of the Committee Member	Position	No. of meetings held	No. of meeting attended
Mr. R. Srinivasan	Chairperson	6	6
Ms. Roshni Nadar Malhotra	Member	6	6
Dr. Mohan Chellappa	Member	6	6
Ms. Robin Ann Abrams	Member	6	6
Ms. Vanitha Narayanan	Member	6	6

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 HCL Technologies Limited ("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 is 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 evaluation, and contribution at the Board and certain Committee meetings as well as 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 endeavors 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. 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.

The Company may consider on case to case basis for granting the personal loan to the employees on a specific request by the employees.

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 on recommendation by the Committee.

The above policy is also available at the website of the Company and weblink for the same is provided at the end of this report.

iii) Stakeholders' Relationship Committee

The Company's Stakeholders' Relationship Committee ("SRC") comprises of three members with one member as Independent Director. The Committee is chaired by Mr. S. Madhavan. Ms. Roshni Nadar Malhotra and Mr. Shikhar Malhotra are the other members of the Committee.

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

Terms of Reference

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

a) To review and take all necessary actions for redressal of grievances and complaints of security holders as may be required in the interests of the security holders.

b) To approve requests of re-materialisation of shares / securities, issuance of split and duplicate shares / security certificates.

During FY 2022-23, the Committee met five times on July 12, 2022, November 30, 2022, December 13, 2022, February 20, 2023 and March 9, 2023. The necessary quorum was present at all the meetings. The Committee also approved certain matters through resolutions passed by circulation.

Attendance details of each member at SRC meetings held during FY 2022-23 are as follows:

Name of the Committee Member	Position	No. of meetings held	No. of meetings attended
Mr. S. Madhavan	Chairperson	5	5
Ms. Roshni Nadar Malhotra	Member	5	5
Ms. Shikhar Malhotra	Member	5	5

Investors' Grievances

The following table shows the Shareholders' complaints received during FY 2022-23:

Particulars	No. of Complaints
Investor complaints pending at the beginning of the year	Nil
Investor complaints received during the year	20
Investor complaints disposed off during the year	20
Investor complaints remaining unresolved at the end of the year	Nil

iv) Risk Management Committee

The Risk Management Committee of the Company comprises of four members. The Committee is chaired by Mr. S. Madhavan, Independent Director of the Company. Mr. Deepak Kapoor, Ms. Nishi Vasudeva and Ms. Robin Ann Abrams are the other members of the Committee, all of whom are Independent Directors.

Terms of Reference

The terms of reference of the Risk Management Committee are as under:

a) To assist the Board of Directors ("Board") in overseeing the responsibilities with regard to the identification, evaluation, monitoring and mitigation of internal and external risks, in particular including financial, operational, strategic sectoral, sustainability (particularly, ESG related risks), information cyber security risks or any other risk as may be determined by the Risk Management Committee ("Committee").

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 formulate a detailed Risk Management Policy and periodically review and approve it, at least once in two years, including by considering the changing industry dynamics and evolving complexity associated framework, processes and practices.

d) To evaluate significant risk exposures including business continuity planning and disaster recovery planning to ensure a Business Continuity Plan ("BCP") is in place for the Company.

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 keep the board informed of all its decisions, recommendations and actions to be taken and 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 including evaluating the adequacy of risk management systems.

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, seek necessary information from any Employee and any external expert advisors considered necessary for any task and they will provide their findings to the Committee.

m) To review the appointment, removal and terms of remuneration of the Chief Risk Officer (if any).

n) To coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board.

During FY 2022-23, the Committee met five times on April 4, 2022, July 1, 2022, September 27, 2022, December 20, 2022 and March 28, 2023. The necessary quorum was present at all the meetings. The maximum interval between any two meetings did not exceed 180 days.

Attendance details of each member at the Risk Management Committee meetings held during FY 2022-23 are as follows:

Name of the Committee Member	Position	No. of meetings held	No. of meetings attended
Mr. S. Madhavan	Chairperson	5	5
Mr. Deepak Kapoor	Member	5	5
Ms. Nishi Vasudeva	Member	5	5
Ms. Robin Ann Abrams	Member	5	5

v) Corporate Social Responsibility Committee

The Company's Corporate Social Responsibility ("CSR") Committee comprises of three members including two Independent Directors. The Committee is chaired by Ms. Roshni Nadar Malhotra. Dr. Mohan Chellappa and Mr. S. Madhavan, Independent Directors of the Company, are the other members of the Committee.

Terms of Reference

The terms of reference of the CSR Committee are as under:

a) Formulate and recommend to the Board, a CSR Policy.

b) Recommend the amount of expenditure to be incurred on CSR activities.

c) Formulate and recommend to the Board the Annual Action Plan, which shall include:

   1. *the list of CSR projects or programs that are approved to be undertaken in areas or subjects specified in Schedule VII of the Companies Act, 2013.*

   2. *the manner of execution of such projects or programs;*

   3. *the modalities of utilization of funds for the projects or programs;*

   4. *Implementation schedules for the projects or programs;*

   5. *monitoring mechanism for the projects or programs;*

   6. *reporting mechanism for the projects or programs; and*

   7. *details of need and impact assessment, if any, for the projects undertaken by the company.*

d) Institute a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Company.

e) Monitor the Annual Action Plan for the CSR activities of the Company from time to time.

f) Monitor the CSR Policy from time to time.

g) Recommend to the Board, the treatment of short / excess spending in any financial year, as per the provisions of the Companies Act, 2013 and the Rules made thereunder.

h) Review the need for Impact Assessment, if any, for the projects or programmes.

The CSR Policy of the Company is available on the website of the Company and the weblink for the same has been provided at the end of this report.

During FY 2022-23, the CSR Committee met two times on April 14, 2022 and October 7, 2022. The necessary quorum was present at all the meetings.

Attendance details of each member at the CSR Committee meetings held during FY 2022-23 are as follows:

Name of the Committee Member	Position	No. of meetings held	No. of meetings attended
Ms. Roshni Nadar Malhotra	Chairperson	2	2
Dr. Mohan Chellappa	Member	2	2
Mr. S. Madhavan	Member	2	2

vi) Finance Committee

The Finance Committee of the Company comprises of five members, with three of its members as Independent Directors. The Committee is chaired by Mr. S Madhavan. Ms. Roshni Nadar Malhotra, Mr. Shikhar Malhotra, Mr. Thomas Sieber and Mr. R. Srinivasan are the other members of the Committee.

Terms of Reference

The terms of reference of the Finance Committee are as under:

a) Review and provide its recommendations to the Board on the proposals regarding capital structure plans including any specific equity / debt financing plans.

b) Review on a half yearly basis the actual performance of the Company against the budgets.

c) Review and provide its recommendations to the Board on the capital expenditure plans, beyond the limits delegated to the CFO or CEO & MD, as per the DOA.

   However, the Committee shall have the power to approve capital expenditure plans involving investment in capital projects up to $250 million in a financial year.

d) Evaluate the performance of and returns on approved capital expenditure.

e) Review and approve the proposals for mergers, acquisitions and divestitures and provide its recommendations to the Board.

f) Evaluate the performance of acquisitions.

g) Review at a conceptual level the broad approach and the elements (including tax) considered for setting up subsidiaries or branches in various geographies.

h) Plan and prepare strategies for managing the foreign exchange exposure – the Committee to approve the hedging policy and monitor its performance.

i) Approve the investment policy and review the performance thereof.

j) Recommend dividend policy to the Board.

k) Review and approve the insurance coverage and program for the Company.

l) Approve opening / closing of bank accounts of the Company and change in signatories for operating the bank accounts of the Company.

   However, this authority will not extend to such activities related to the subsidiaries of the Company and its joint ventures.

m) Review the progress / transformation of the Finance function at periodic intervals.

n) Periodic review of the initiatives / activities carried out on investors relations front.

o) To perform any other activities or responsibilities assigned to the Committee by the Board of Directors from time to time.

p) 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 FY 2022-23, the Committee met five times on April 14, 2022, August 26, 2022, November 8, 2022, January 4, 2023 and February 27, 2023. The necessary quorum was present at all the meetings.

Attendance details of each member at the Finance Committee meetings held during FY 2022-23 are as follows:

Name of the Committee Member	Position	No. of meetings held	No. of meetings attended
Mr. S. Madhavan	Chairperson	5	5
Ms. Roshni Nadar Malhotra	Member	5	5
Mr. Shikhar Malhotra	Member	5	5
Mr. R. Srinivasan	Member	5	4
Mr. Thomas Sieber	Member	5	4

vii) ESG & Diversity Equity Inclusion Committee

In order to affirm, guide and support the commitment of the Company towards ESG and to drive gender diversity, the Company has in place a Committee of the Board named as ESG & Diversity Equity Inclusion Committee.

The ESG & Diversity Equity Inclusion Committee of the Company comprises of three members, out of which two are Independent Directors. The Committee is chaired by Ms. Robin Ann Abrams. Ms. Roshni Nadar Malhotra and Mr. Simon John England are the other members of the Committee.

Terms of Reference

The terms of reference of the ESG & Diversity Equity Inclusion Committee are as under:

Matters related to Diversity & Inclusion:

Gender Diversity –

1. To support the progression of women into senior roles.
2. To ensure fair representation of women candidates in the hiring process.
3. To ensure fairness in promotion, compensation, rewards and leadership development process.
4. To build the leadership pipeline to achieve balanced gender ratio to all the levels of leadership.
5. To manage bias in talent review and succession planning.

Culture and Ethnicity –

1. To measure culture via setting of cultural indicators.
2. To promote inter-cultural competence.
3. To ensure high impact leadership transitions.
4. To create a culturally balanced diverse workforce.
5. To empower people of different ethnicity and diverse cultural backgrounds.

Individuals with Disabilities –

1. To ensure non-discrimination and recognition of the diversity of people with disabilities.
2. To ensure that job opportunity announcements contain language emphasizing hiring for individuals with disabilities and accordingly identify the roles / open positions available.
3. To ensure implementation of inclusive global policies.
4. To ensure specialized training is provided to all employees for ensuring accessible workplace.
5. To track and monitor employment of individuals with disabilities ("IWD") on a quarterly basis.

Matters related to ESG:

a) To review emerging risks and opportunities associated with sustainability / ESG issues relative to the Company that have the potential to impact reputation and business performance including, but not limited to the following:

   - Environment - Nature of core business and impact of business on environment, Emissions / Waste Disposals / Effluents discharge, Climate change, the energy transition, emissions, including Greenhouse Gases ("GHGs") and emissions reductions technologies, carbon pricing.
   - Social - Impact of company's product / service on society, Employee relationship, Diversity & Equality, Social impacts such as human rights and stakeholder relations.
   - Governance - Promoters' track record towards minority shareholders, Capital Allocation track record, Board related metrics, Auditors related metrics, Business & Accounting Disclosures, quality and significant legislative and regulatory changes, including policy proposals and modifications that could materially impact the Company's business.

b) To approve the immediate and long-term plans and strategy for sustainability / ESG and satisfy itself that such strategies are integrated into the Company's strategic plan. The Committee shall also approve the annual sustainability / ESG goals, metrics and targets for the Company and shall assess the performance against the targets, standards, metrics or methodologies from time to time.

c) To guide the management on the Company's public disclosures with respect to ESG matters, including any ESG disclosures for inclusion in the Company's Annual Report, Website and other documents which are intended to be disclosed to the public and / or the Company's shareholders, and the Company's engagement with stakeholders, including any proposals, concerns and other ESG issues that shareholders wish to bring to the Company.

d) To retain such outside counsel, experts and other advisors, as the Committee may deem appropriate in its sole discretion.

e) To review and assess aforesaid terms periodically and recommend any proposed changes for the Board's approval.

During FY 2022-23 the Committee met four times on May 9, 2022, August 8, 2022, November 11, 2022 and February 24, 2023. The necessary quorum was present at all the meetings.

Name of the Committee Member	Position	No. of meetings held	No. of meetings attended
Ms. Robin Ann Abrams	Chairperson	4	4
Ms. Roshni Nadar Malhotra	Member	4	3
Mr. Simon John England	Member	4	3

18. CRITERIA FOR MAKING PAYMENTS TO EXECUTIVE AND NON-EXECUTIVE DIRECTORS AND KEY MANAGERIAL PERSONNEL OF THE COMPANY

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 Director:

On the recommendations of the Board and the NRC, the shareholders of the Company approved the appointment of Mr. C. Vijayakumar as the CEO & Managing Director of the Company and remuneration payable to him in the AGM of the Company held on August 27, 2021.

In terms of the shareholders' approval for the appointment of Mr. C. Vijayakumar as the Managing Director, the appointment may be terminated by either party by giving to the other party six months' notice of such termination. However, the Company will have an option to terminate the services on immediate basis or by a shorter notice by paying remuneration in lieu thereof.

The remuneration paid to Mr. C. Vijayakumar during the financial year ended March 31, 2023, is as under:

Particulars	FY 2022-23 (USD Million)
Base Salary	2.00
Performance Linked Bonus	1.43
Long Term Incentive	Nil (Refer note 3 below)
Benefits, Perquisites, Allowances, etc.	0.03
Total	**3.46**

Notes:

1 *Mr. C. Vijayakumar, CEO & Managing Director, has received the entire remuneration from HCL America Inc., a step-down wholly owned subsidiary of the Company in USA.*

2 *The Performance-Linked Bonus paid in FY 2022-23 was related to performance for the previous financial year.*

3 *The Long-term incentive ("LTI") is paid at fixed intervals (at the end of two years) based on the achievement of milestones / parameters decided by the Board. Accordingly, the LTI related to performance for FY 2021-22 and for FY 2022-23 shall be paid during FY 2023-24.*

During FY 2021-22, a part of the LTI, to be paid in future years, was converted into the Restricted Stock Units ("RSUs"). These RSUs were granted on December 20, 2021. The details of the RSUs granted to Mr. C. Vijayakumar, CEO & Managing Director of the Company are given hereunder. No RSUs have vested till March 31, 2023.

	Performance Based RSU	Tenure Based RSU
Date of grant	December 20, 2021	December 20, 2021
No. of RSU	9,00,060	3,27,295
Exercise Price / Per RSU	₹2/-	₹2/-
Vesting Dates -		
July 31, 2023	3,37,523	-
March 31, 2025	-	3,27,295
July 31, 2025	5,62,537	-

Non-Executive Directors:

During the financial year under review, the Company had 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 paid commission to its Non-Executive Directors as per the limits approved by the Board and the shareholders of the Company.

The sitting fees and commission paid / payable to the Non-Executive Directors for the year ended March 31, 2023, are as under:

Name of the Director	Sitting fees for FY 2022-23 (₹ in crore)	Commission for FY 2022-23 (₹ in crore)
Ms. Roshni Nadar Malhotra	0.02	1.01
Mr. Deepak Kapoor	0.02	0.86
Mr. S. Madhavan	0.04	1.06
Dr. Mohan Chellappa	0.01	1.22
Ms. Nishi Vasudeva	0.03	0.86
Ms. Robin Ann Abrams	0.03	1.39
Dr. S. Shankara Sastry	0.01	1.06
Mr. Shikhar Malhotra	0.02	0.80
Mr. R. Srinivasan	0.02	1.30
Mr. Simon John England	0.01	1.19
Mr. Thomas Sieber	0.01	1.08
Ms. Vanitha Narayanan	0.01	1.10

There are no other pecuniary relationships or transactions of the Non-Executive Directors with the Company.

19. SUCCESSION PLANNING

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

20. 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.

TOTAL FEES PAID TO STATUTORY AUDITORS

- **Fees for Audit Services**

  For FY 2022-23, ₹10 crores were paid / incurred by the Company and its subsidiaries to the Statutory Auditors and their network firms in India; and ₹11 crores was paid / incurred by the Company and its overseas subsidiaries to the firms which are member firms and / or licensees of the international organization of which the Statutory Auditor of the Company is a sub-licensee. The fees were paid for audit services related to the Company and some of its subsidiaries and included fee for review / audit of IFRS financial statements on a consolidated basis.

- **Fees for Non-Audit Services**

  For FY 2022-23, a total fee of ₹1 crore was paid / incurred by the Company and its subsidiaries for all non-audit services availed (in India and overseas), on a consolidated basis to the Statutory Auditors of the Company, their network firms and to the firms which are member firms and / or licensees of the international organization of which the Statutory Auditor of the Company is a sub-licensee.

21. MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS

There have been no materially significant related party transactions, monetary transactions or relationships between the Company and its Directors, management, subsidiary or relatives, except for those disclosed in the financial statements for FY 2022-23. Detailed information on materially significant related party transactions is enclosed in Annexure 2 of the Directors' Report. A Policy on Related Party Transactions formulated pursuant to the provisions of the Act and the Listing Regulations and as approved by the Board is available on the website of the Company and the web link for the same has been provided at the end of this Report.

22. 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. COBEC also includes the duties of Independent Directors as mentioned in Schedule IV of the Act. COBEC is periodically reviewed taking into account the prevailing business and ethical practices. COBEC is also posted on the website of the Company and the weblink for the same has been provided at the end of this report. All Board members and senior management personnel have confirmed compliance with COBEC for FY 2022-23. A declaration to this effect signed by the CEO & Managing Director of the Company is provided in this Annual Report.

23. CODE FOR PREVENTION OF INSIDER TRADING

The Company has comprehensive codes and polices on prevention of Insider Trading and fair disclosure in line with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time). The Code of Conduct on Prohibition of Insider Trading ("Insider Trading Code") inter-alia prohibits trading in the shares (including derivatives) of the Company by the Designated Persons (as defined under the Insider Trading Code) and their immediate relatives, while in possession of unpublished price sensitive information in relation to the Company and its group companies. The Company, within two trading days of receipt of the information under the initial and continual disclosures from the Designated Persons (as defined under the Insider Trading Code), discloses the same to the extent required, to all the Stock Exchanges, where the shares of the Company are listed.

24. ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

To ensure that the Company is conducting its business activities with honesty, integrity and highest possible ethical standards and to demonstrate the 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 ("ABAC") Policy that applies to the employees at all levels, directors, consultants, agents and other persons associated with the Company, its affiliates and subsidiaries. The Policy covers matters relating to hospitality, offset obligations, employment of relatives, guidance on gifts, political / charitable contributions, extortion / blackmail responses etc. The Policy is available on the website of the Company and the weblink for the same has been provided at the end of this report.

The Company has embarked on the journey to align its ABAC framework with the ISO 37001:2016 Anti-Bribery Management Systems ("ABMS") certification. This journey has helped strengthen the ABAC framework to encourage all employees and business associates to understand and embrace the ethical standards and make informed and ethical decisions. The certification agency, the British Standards Institution ("BSI"), has issued the ISO 37001:2016 certificate dated December 17, 2020 to the Company for a period of 3 years till December 16, 2023. On September 1, 2023 BSI will conduct re-certification audit of the Company.

25. PREVENTION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE POLICY

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('POSH Act') and Rules made thereunder, in order to provide a safe and healthy work environment free of any hassles 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 Workplace 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 labor 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, 2023, the Company has received 55 complaints on sexual harassment. During the year, 41 complaints (including 2 complaints that were outstanding as on April 1, 2022) were disposed-off and internal review was in progress as on March 31, 2023 in respect of 16 complaints.

26. WHISTLEBLOWER POLICY / VIGIL MECHANISM

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 Whistleblower 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 including breach of Company's Code of Conduct to regulate, monitor and report Insider Trading by Designated Persons and their immediate relatives, including any incident involving leak or suspected leak of unpublished price sensitive information, actual or suspected fraud or violation of the Company's Code of Business Ethics and Conduct. All cases registered under the Whistleblower Policy of the Company are reported to the external Ombudsperson who carries out preliminary investigation.

Complaints received against any EX-band (i.e. Executive Vice Presidents) and "C" Level Officers (CEO / CFO / CPO / President/ Corporate Officers) or complaints against any Director or Chairperson of the Company are overseen by the Chairperson of the Audit Committee and disciplinary action is decided by the Audit Committee. Complaints against other employees are investigated by an independent team which is overseen by the Ethics Committee. The Whistleblower has direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases and the Chairperson of the Audit Committee is authorized to prescribe suitable directions in this regard. The identity of the Whistleblower is kept confidential.

The Audit Committee reviews the policy and its implementation on 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 and the weblink for the same has been provided at the end of this report.

27. GENERAL BODY MEETINGS

The location and time of the AGMs held and details of special resolutions passed thereat during the preceding 3 years are as follows:

Financial Year	Date	Time (IST)	Venue	Details of Special Resolution passed
2021-22	August 16, 2022	11:00 A.M	Via Video Conferencing	No special resolution passed.
2020-21	August 27, 2021	11:00 A.M.	Via Video Conferencing	1. Re-appointment of Mr. Deepak Kapoor as an Independent Director of the Company for a second term of five consecutive years w.e.f. July 26, 2022.
2019-20	September 29, 2020	11:00 A.M.	Via Video Conferencing	1. Appointment of Dr. Mohan Chellappa as an Independent Director of the Company for a term of five consecutive years w.e.f. August 6, 2019. 2. Re-appointment of Mr. Thomas Sieber as an Independent Director of the Company for a second term of five consecutive years w.e.f. September 29, 2020.

28. DETAILS OF RESOLUTIONS PASSED THROUGH POSTAL BALLOT

During the financial year under review, no resolution was passed through postal ballot. Further, no special resolution is proposed to be conducted through postal ballot as on the date of this Report.

29. 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 Listing Regulations. The Policy aims to set out the principles for determining a material subsidiary. The said policy is available on the website of the Company and the web link for the same has been provided at the end of this Report.

During FY 2022-23, the following were the material subsidiaries of the Company as per the criteria given in Regulation 16(1)(c) of the Listing Regulations:

Name of the Company	Date of Incorporation	Place of Incorporation	Name of the Statutory Auditor
HCL America Inc.	November 7, 1988	United States of America	M/s. BSR & Co. LLP (ICAI Number 101248W/W-100022),Chartered Accountants
HCL Bermuda Limited	December 10, 1997	Bermuda	M/s. BSR & Co. LLP (ICAI Number 101248W/W-100022),Chartered Accountants

The Audit Committee of the Company reviews the financial statements in particular the inter-corporate loans and investments made by or in the subsidiary companies. The minutes of the Board meetings as well as the statement 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.

30. CEO / CFO CERTIFICATION

The Certificate by the CEO & Managing Director and the Chief Financial Officer of the Company on the financial statements for FY 2022-23 as stipulated in Regulation 17(8) of the Listing Regulations read with Part B of Schedule II was placed before the Board. The said Certificate is provided in this Annual Report.

31. DISCLOSURES

a) Related party transactions

During FY 2022-23, the Company has not entered into any transaction of a material nature with its subsidiaries, promoters, directors, 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 the 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 applicable 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 during the last three years.

c) **Other Disclosures**

1. The Company has in place the Whistleblower Policy which provides the Whistleblower, direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. Further, no employee has been denied access to the Audit Committee.

2. During the financial year under review, the Company did not raise any money through public issue, right issues, preferential issue or qualified institutional placement and there was no unspent money raised through such issues.

3. The Company has not given any loans and advances to firms / Companies in which directors are interested.

4. There are no shares in the suspense account of the Company as on March 31, 2023.

5. In terms of the provisions of the Listing Regulations, 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 and the weblinks for the same have been provided at the end of this Report.

6. **Credit Ratings:**

a) For Bank Limits:

- ICRA Limited has re-affirmed its long-term rating **[ICRA]AAA (Stable)** and short-term rating **[ICRA] A1+** to the Company in respect of its bank limits during the financial year under review.

b) For Senior Unsecured Notes:

- S&P Global Ratings ("S&P") has assigned credit rating **A-/Stable/--** to the Company, which is the Guarantor to the USD 500 million senior unsecured notes ("Notes") issued by HCL America Inc., a step-down wholly owned subsidiary of the Company incorporated under the laws of California. S&P has also assigned **"A-" long-term issuer credit rating** to HCL America Inc. with a stable outlook and **"A-" long-term issue rating** to the Notes.

- Fitch Ratings Limited ("Fitch") has assigned long-term rating of **A-** with stable outlook. Fitch has also assigned long-term rating of **A-** to the Notes issued by HCL America Inc.

During FY 2022-23, HCL America Inc. through cash tender offer bought back its Notes of the principal amount of USD 247.793 million. Post this buyback, the aggregate principal amount of Notes that remain outstanding are USD 252.207 million. Accordingly, the Company's aggregate potential liability for the Notes has been reduced to USD 264.817 million which is 105% of the total aggregate principal amount of the Notes outstanding.

32. MEANS OF COMMUNICATION

a) **Financial Results, Newspapers in which results are normally published:** The quarterly, half-yearly and annual financial results of the Company are generally published in leading newspapers in India *inter-alia*, in Mint (all editions) and Hindustan Hindi (Delhi Edition). The results are also displayed on the Company's website https://www.hcltech.com/investors/results-reports.

b) **Website:** The Company's corporate website i.e. www.hcltech.com provides comprehensive information on the 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 Annual Report as well as quarterly, half-yearly, annual financial statements, press releases, quarterly shareholding patterns and quarterly corporate governance reports are available in downloadable format as a measure of added convenience to the investors.

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

d) **Annual Report:** The Annual Report containing, *inter-alia,* the Audited Annual Standalone Financial Statements, Audited Annual Consolidated Financial Statements, Auditor's Report on these Standalone and Consolidated financial statements, Directors' Report, Management Discussion and Analysis Report, Corporate Governance Report, Business Responsibility and Sustainability Report and other important information is circulated to members and others entitled thereto as per the provisions of the applicable laws and regulations. The Annual Report of the Company for FY 2022-23 is available on the Company's website in a user-friendly and downloadable form.

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

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

g) **BSE Listing Centre:** As per the mandate received from the BSE Limited ("BSE"), the Company has been uploading its financial information, shareholding pattern, Report on Corporate Governance and press releases on the dedicated website of BSE i.e. https://listing.bseindia.com/LoginAuth.aspx

h) **Online Portal-Singapore Exchange Securities Trading Limited:** As the Unsecured Notes of HCL America Inc., a step-down wholly owned subsidiary of the Company, are listed on the Singapore Exchange Securities Trading Limited ("SGX"), the necessary filings and intimations filed by the Company on NSE and BSE have also been filed on the dedicated website of SGX i.e. https://mylogin.sgx.com

i) **Designated exclusive e-mail ID:** The Company has the following designated e-mail ID: investors@hcl.com exclusively for investors servicing.

33. 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.

The Annual Report (2022-23) and the Notice of the Thirty-First AGM will be sent to all the members in the manner prescribed or as may be prescribed in the applicable laws and regulations. The Shareholder may request for a physical copy of the same.

Shareholders holding shares in demat form are requested to register their e-mail addresses with their respective depository participants and shareholders holding shares in physical form are requested to register their e-mail addresses with the Registrar & Share Transfer Agent, to ensure electronic delivery of all necessary documents / communication by the Company.

34. 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 at https://www.hcltech.com/investors.

Additionally, Conference Calls, Management Interviews, Face to Face Investor Meetings and AGM(s) ensure a direct interaction of market participants with the management team.

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.

35. CERTIFICATE FROM COMPANY SECRETARY ON NON-DISQUALIFICATION OF DIRECTORS

As required under Regulation 34(3) and Schedule V of the Listing Regulations, certificate dated April 19, 2023 obtained from M/s. Chandrasekaran Associates, Practicing Company Secretaries (also the Secretarial Auditor of the Company) confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI / Ministry of Corporate Affairs or any such statutory authority, is annexed hereto.

36. ANNUAL SECRETARIAL COMPLIANCE REPORT

As required under Regulation 24A of the Listing Regulations, the Annual Secretarial Compliance Report dated April 20, 2023 issued by M/s. Chandrasekaran Associates, Practicing Company Secretaries (also the Secretarial Auditors of the Company), is annexed hereto.

37. GENERAL SHAREHOLDER INFORMATION

a)	**Annual General Meeting:** **Date** **Time** **Venue**	As mentioned in the AGM Notice
b)	**Financial Year**	April 1, 2022 to March 31, 2023
c)	**Date of Book Closure**	Book Closure, if any, shall be specified in the AGM Notice.
d)	**Dividend Payment Date (subject to approval of shareholders)**	NA
e)	**Listing of Equity Shares on stock exchanges in India**	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- 26598100, Fax: +91-22-26598210
		BSE Limited ("BSE") Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001, India Tel.: +91-22-22721233, Fax: +91-22-22721919
f)	**Stock Codes**	NSE – HCLTECH BSE – 532281
g)	**ISIN for Equity Shares**	INE860A01027
h)	**Listing of Non-Convertible Debentures on stock exchanges in India**	NA
i)	**Debenture Trustee**	NA
j)	**ISIN for Debentures**	NA
k)	**Listing Fees**	Paid to all Stock Exchanges for FY 2022-23
l)	**Corporate Identification Number (CIN) of the Company**	L74140DL1991PLC046369

m)	**Registered Office**	806, Siddharth 96, Nehru Place New Delhi – 110 019, India Tel.: +91-11-26436336 Website: www.hcltech.com
n)	**Registrar & Share Transfer Agent (RTA)**	M/s Link Intime India Private Limited Unit- HCL Technologies Limited C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083, Maharashtra SEBI Registration No.: INR000004058 Corporate Identity Number: U67190MH1999PTC118368 Telephone: +91 22-49186270 Fax: +91 22-49186060 E-mail: rnt.helpdesk@linkintime.co.in
o)	**Share Transfer System**	99.97% of the equity shares of the Company are in dematerialized form. SEBI has amended the relevant provisions of the Listing Regulations to disallow the listed companies from accepting requests for transfer of securities which are held in physical form, w.e.f. April 1, 2019. The shareholders who continue to hold shares and / or other types of securities of the listed companies in physical form even after this date, will not be able to lodge requests for transfer of securities with the Company / RTA. Also, SEBI vide its Circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 from immediate effect mandated that the issuance of securities in pursuant to the requests for Renewal / Exchange of securities, endorsement, sub-division / splitting of share certificates / consolidation of securities / folios, transmission and transposition shall be in dematerialized form. They would be required to first convert the securities in dematerialized form if they wish to effect any transfer. Only the requests for transmission and transposition of securities in physical form will be accepted by the Companies / RTA. This amendment will help in curbing frauds and manipulation of risk in physical transfer of securities by unscrupulous persons. Further, holding of securities in dematerialized form will also improve ease, convenience and safety of transactions for the investors. Transfer of shares in dematerialized form is done through the depositories with no involvement of the Company. As per the requirement of Regulation 40(9) of the Listing Regulations, the Company has obtained annual certificate from Practising Company Secretary for due compliance of share transposition and transmission and filed the same with the Stock Exchanges. As on March 31, 2023, no equity share was pending for transmission or transposition.
p)	**Reconciliation of Share Capital Audit Report**	As required under Regulation 76 of the SEBI (Depositories and Participants) Regulations, 2018, the Reconciliation of Share Capital audit report on the total admitted capital with National Securities Depository Limited (“NSDL”) and Central Depository Services (India) Limited (“CDSL”) and the total issued and listed capital for each of the quarter in FY 2022-23 was carried out. The audit report 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.
q)	**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 & Share Transfer Agent. d) The Company’s Registrar & Share 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, 2023, about 99.97% 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. The Company’s ISIN in NSDL and CDSL for Equity Shares is 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.

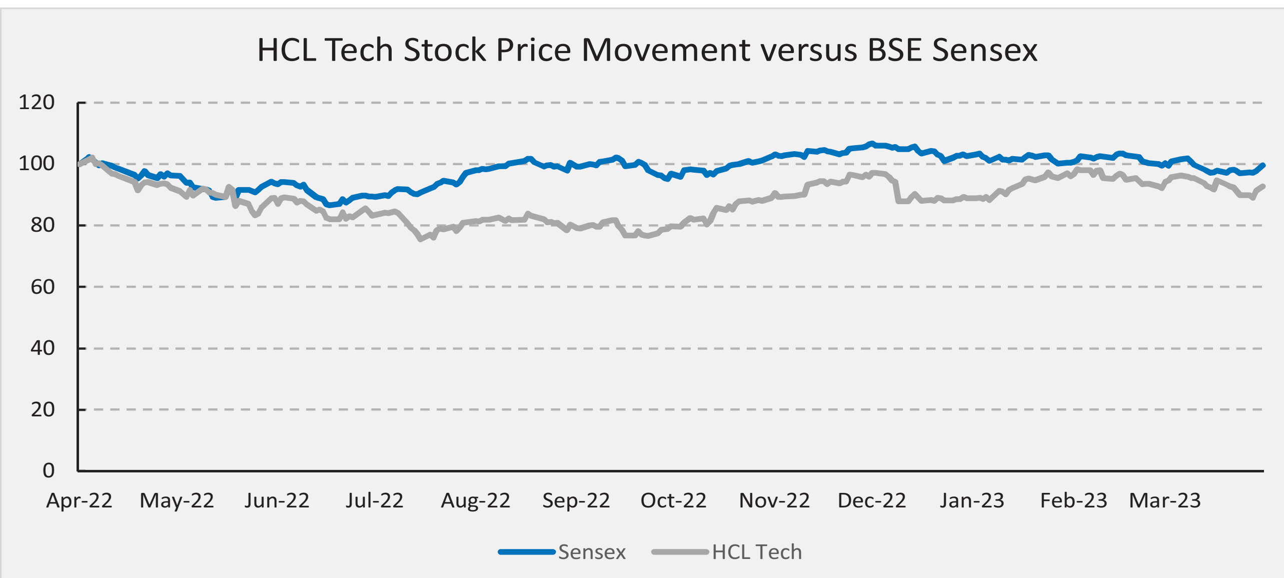
r)	**Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, conversion date and likely impact on equity**	The Company has not issued any GDRs / ADRs / warrants or other instruments, which are pending for conversion.
s)	**Commodity price risk or foreign exchange risk and hedging activities**	The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given. For details on foreign exchange risk and hedging activities, please refer to Management Discussion and Analysis Report which forms part of the Annual Report.
t)	**Compliance Certificate on the Corporate Governance from the Auditors**	The certificate dated April 20, 2023 obtained from the Statutory Auditors of the Company, M/s. B S R & Co. LLP, confirming compliance with the Corporate Governance requirements as stipulated under Schedule V read with Regulation 34(3) of the Listing Regulations, is annexed hereto.

u) Stock Market Data

The details of the monthly high and low prices of the Equity Shares of the Company and its comparison to broad based indices BSE Sensex and NSE Nifty for period April 1, 2022 to March 31, 2023 are as follows:

Month	Share price on BSE			BSE-Sensex	
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)
April 2022	1,203.00	1,060.00	42,01,952	60,845.10	56,009.07
May 2022	1,097.00	963.45	45,59,917	57,184.21	52,632.48
June 2022	1,069.60	944.35	26,25,493	56,432.65	50,921.22
July 2022	1,005.00	877.25	55,66,297	57,619.27	52,094.25
August 2022	987.00	875.65	1,00,79,663	60,411.20	57,367.47
September 2022	963.50	882.20	49,24,278	60,676.12	56,147.23
October 2022	1,052.30	916.00	33,13,235	60,786.70	56,683.40
November 2022	1,138.50	1,029.95	41,49,849	63,303.01	60,425.47
December 2022	1,150.50	1,011.60	18,36,098	63,583.07	59,754.10
January 2023	1,143.45	1,025.00	29,39,291	61,343.96	58,699.20
February 2023	1,156.80	1,068.85	11,13,376	61,682.25	58,795.97
March 2023	1,148.00	1,037.95	12,25,143	60,948.48	57,084.91

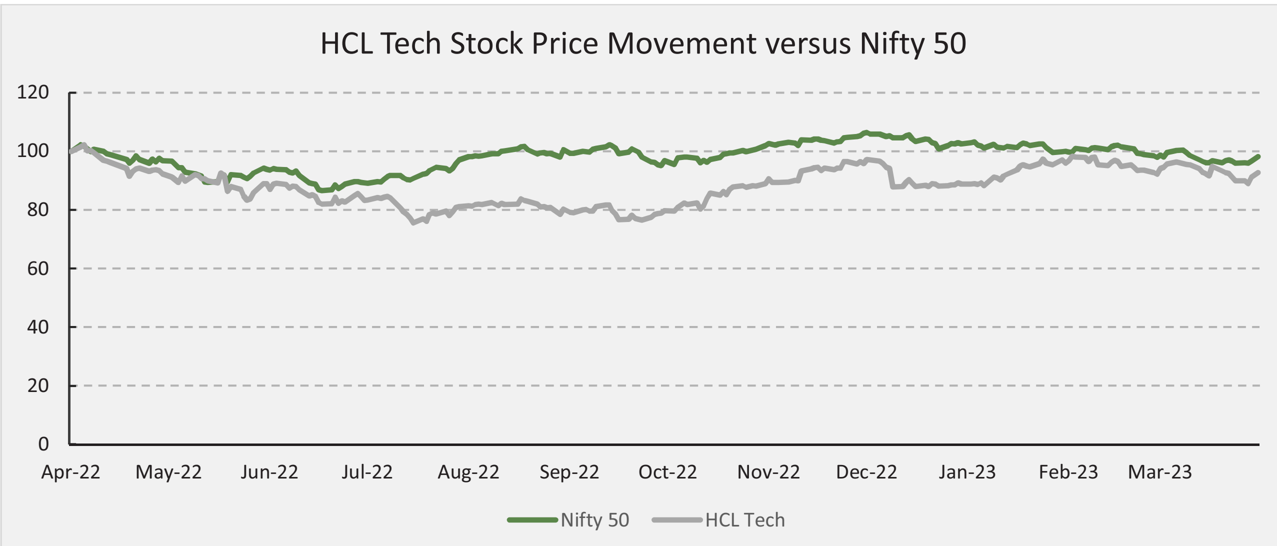
Source: This information is compiled from the data available from the website of BSE.



Note: HCL share price and Sensex values as on April 1, 2023 have been baselined to 100.

Month	Share Price on NSE		Volume	NSE-Nifty	
	High (₹)	Low (₹)		High (₹)	Low (₹)
April 2022	1,203.00	1,058.75	6,76,01,995	18,114.65	16,824.70
May 2022	1,097.35	963.00	6,73,63,761	17,132.85	15,735.75
June 2022	1,069.65	944.05	5,65,18,058	16,793.85	15,183.40
July 2022	1,002.65	877.35	8,63,80,131	17,172.80	15,511.05
August 2022	987.05	900.10	6,23,62,817	17,992.20	17,154.80
September 2022	963.50	882.00	6,63,05,386	18,096.15	16,747.70
October 2022	1,052.50	916.00	6,11,03,867	18,022.80	16,855.55
November 2022	1,138.75	1,033.10	5,35,47,858	18,816.05	17,959.20
December 2022	1,150.65	1,011.50	6,53,46,908	18,887.60	17,774.25
January 2023	1,143.70	1,025.25	7,60,99,222	18,251.95	17,405.55
February 2023	1,156.65	1,068.10	6,24,00,856	18,134.75	17,255.20
March 2023	1,148.00	1,039.35	5,54,878,20	17,799.95	16,828.35

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



Note: HCL share price and Nifty 50 values as on April 1, 2023 have been baselined to 100.

v) Shareholding as on March 31, 2023

i) Distribution of shareholding as on March 31, 2023

Number of Equity Shares held	No. of Shareholders	Shareholders (%)	No. of Shares	Shares (%)
1 – 500	944,502	97.13	40,922,803	1.51
501 – 1,000	14,477	1.49	10,715,523	0.39
1,001 – 2,000	6,004	0.62	8,737,117	0.32
2,001-3,000	1829	0.19	4,511,646	0.17
3,001-4,000	923	0.09	3,287,534	0.12
4,001-5,000	596	0.06	2,738,460	0.10
5,001-10,000	1275	0.13	9,221,057	0.34
10,001 and above	2,851	0.29	2,633,530,956	97.05
Total	**972,457**	**100.00**	**2,713,665,096**	**100.00**

ii) **Categories of equity shareholders as on March 31, 2023**

Category	No. of Shares held	Voting strength %
Promoters	1,650,301,111	60.81%
Foreign Portfolio Investors / Foreign Institutional Investors / Foreign Banks / Foreign Nationals	513,601,011	18.93%
Mutual Funds	221,079,168	8.15%
Alternate Investment Funds	3,911,792	0.14%
Financial Institutions / Banks / Insurance Companies / Provident or Pension Funds/ Sovereign Wealth Funds	190,173,771	7.01%
Non Institution (Resident Individual, HUF and Trust)	103,157,956	3.80%
Bodies Corporate (Domestic)	11,104,441	0.41%
NRIs / OCBs	13,706,549	0.51%
Central Government / State Government(s) / President of India / Investor Education and Protection Fund	289,031	0.01%
Clearing Members	40,113	0.00%
Employee Trust (HCL Technologies Stock Options Trust)	6,300,153	0.23%
Grand Total	**2,713,665,096**	**100%**

w) **Transfer of Unpaid / Unclaimed Dividend to Investor Education and Protection Fund (IEPF)**

Pursuant to the provisions of Section 124 of the Act, the dividend amount which have remained unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid dividend account 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. 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 the unclaimed dividend is transferred to the IEPF, the same can be claimed from the IEPF Authority after following the procedures prescribed in the IEPF Rules.

Year	Dividend Type	Date of Declaration	Dividend Amount / per share (₹)	Due Date of transfer to IEPF
2016-2017	Interim	April 28, 2016	6.00	May 28, 2023
	Interim	August 3, 2016	6.00	September 2, 2023
	Interim	October 21, 2016	6.00	November 20, 2023
	Interim	January 24, 2017	6.00	February 23, 2024
2017-2018	Interim	May 11, 2017	6.00	June 10, 2024
	Interim	July 27, 2017	2.00	August 26, 2024
	Interim	October 25, 2017	2.00	November 24, 2024
	Interim	January 19, 2018	2.00	February 18, 2025
2018-2019	Interim	May 2, 2018	2.00	June 1, 2025
	Interim	July 27, 2018	2.00	August 26, 2025
	Interim	October 23, 2018	2.00	November 22, 2025
	Interim	January 29, 2019	2.00	February 28, 2026
2019-2020	Interim	May 9, 2019	2.00	June 8, 2026
	Interim	August 7, 2019	2.00	September 6, 2026
	Interim	October 23, 2019	2.00	November 22, 2026
	Interim	January 17, 2020	2.00	February 16, 2027
	Final	September 29, 2020	2.00	October 29, 2027
2020-21	Interim	July 17, 2020	2.00	August 16, 2027
	Interim	October 16, 2020	4.00	November 15, 2027
	Interim	January 15, 2021	4.00	February 14, 2028
2021-22	Interim	April 23, 2021	16.00	May 23, 2028
	Interim	July 19, 2021	6.00	August 18, 2028
	Interim	October 14, 2021	10.00	November 13, 2028
	Interim	January 14, 2022	10.00	February 13, 2029
2022-23	Interim	April 21, 2022	18.00	May 21, 2029
	Interim	July 12, 2022	10.00	August 11, 2029
	Interim	October 12, 2022	10.00	November 11, 2029
	Interim	January 12, 2023	10.00	February 11, 2030

The Company sends regular reminders to the shareholders to claim their dividends in order to avoid the transfer of dividends / shares to the IEPF Authority. Notices in this regard are also published in the newspapers and the details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority, are uploaded on the website of the Company and the weblink for the same has been provided at the end of this report.

x) Financial Calendar (tentative and subject to change)

Financial reporting for the first quarter ending June 30, 2023	Second Week of July, 2023
Financial reporting for the second quarter and half year ending September 30, 2023	Second Week of October, 2023
Financial reporting for the third quarter ending December 31, 2023	Second Week of January, 2024
Financial reporting for the fourth quarter and year ending March 31, 2024	Third Week of April, 2024
AGM for the year ending March 31, 2024	July / August 2024

y) Address for Shareholders' correspondence

The Secretarial Department HCL Technologies Limited 2nd Floor, Corporate Towers, Plot No. 3A, Sector -126, Noida - 201 304, UP, India Tel.: + 91 11 26436336 E-mail ID: investors@hcl.com	Link Intime India Private Limited (Unit: HCL Technologies Limited) C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083, Maharashtra Tel.: + 91 22 49186060, Toll Free: 1800 1020 878 E-mail: rnt.helpdesk@linkintime.co.in

z) Shareholders' Satisfaction Survey

The Company has always strived to provide the best possible services to its shareholders. The Company is very thankful for the feedback provided to it through the Shareholders' survey conducted last year.

It has been the Company's constant endeavour to strengthen its shareholders' services standards and therefore, as part of its regular feedback seeking exercise, an online Shareholders' survey has been posted at https://forms.office.com/r/uby44szpWr Through this survey, the Company would look forward to the valuable feedback for improving its services standards. Accordingly, the Shareholders are requested to spare some time to participate in this survey and provide their valuable feedback.

aa) Centres' Locations

The Company do not have any manufacturing plants but have development centers and offices in India and overseas. All the global locations including India locations are available on the website of the Company at https://www.hcltech.com/global-presence

38. COMPLIANCE WITH MANDATORY AND NON-MANDATORY REQUIREMENTS

The Listing Regulations 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. Specifically, the Company confirms compliance with corporate governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) of the Listing Regulations, as applicable.

The 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 of the Company and the weblink for the same has been provided at the end of this report.

The quarterly financial results are also published in English and Hindi daily newspapers.

2. Audit Qualifications

It is always the Company's endeavour to present unqualified financial statements. There is no audit qualification in the Company's financial statements for FY 2022-23.

3. **Separate posts of Chairman and CEO**

The positions of the Chairperson and the CEO are held by separate individuals. Ms. Roshni Nadar Malhotra, Non-Executive Director is the Chairperson of the Company and Mr. C. Vijayakumar is the CEO & Managing Director of the Company. The Chairperson and the CEO are not related to each other.

4. **Reporting of Internal Auditor**

Internal Auditors of the Company make quarterly presentations to the Audit Committee on their reports.

LIST OF WEBLINKS REFERRED TO IN DIRECTORS' REPORT AND CORPORATE GOVERNANCE REPORT

Particulars	Website Link
Annual Return	https://www.hcltech.com/investors/results-reports
Anti-Bribery and Anti-Corruption Policy	https://www.hcltech.com/investors/governance-policies/abacpdf
Archival Policy	https://www.hcltech.com/investors/governance-policies/preservationofdocspolicypdf
Board Diversity Policy	https://www.hcltech.com/investors/governance-policies/diversitypolicy
Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information ('Fair Disclosure Code')	https://www.hcltech.com/investors/governance-policies/fair-disclosure-codepdf
Corporate Social Responsibility Policy	https://www.hcltech.com/investors/governance-policies/csrpolicypdf
Code of Business Ethics and conduct	https://www.hcltech.com/investors/governance-policies/cobecpdf
Details of unclaimed dividends and shares liable to be transferred to IEPF	https://www.hcltech.com/investors/iepf-details
Dividend Distribution Policy	https://www.hcltech.com/investors/governance-policies/ddppdf
Financial Results	https://www.hcltech.com/investors/results-reports
Financial Statements of Subsidiaries	https://www.hcltech.com/investors/subsidiaries-financials
Familiarization Programme for Independent Director	https://www.hcltech.com/investors/governance-policies/familarizationprogidpdf
Investors' Section	https://www.hcltech.com/investors
Letter of Appointment of Independent Director	https://www.hcltech.com/investors/governance-policies/loaidspdf
Policy on Related Party Transactions	https://www.hcltech.com/investors/governance-policies/rptpolicypdf
Policy for determining Material Subsidiary	https://www.hcltech.com/investors/governance-policies/materialsubsidiarypolicypdf
Policy for Determination of Materiality of Events or Information	https://www.hcltech.com/investors/governance-policies/determinationofmaterialityofeventspolicypdf
Remuneration Policy	https://www.hcltech.com/investors/governance-policies/rempolicypdf
Transcripts of Earnings Calls	https://www.hcltech.com/investors/results-reports
Whistleblower Policy	https://www.hcltech.com/investors/governance-policies/whistleblowerpolicypdf

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of HCL Technologies Limited having CIN L74140DL1991PLC046369 and registered office at 806, Siddharth, 96, Nehru Place, New Delhi-110019 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers and declarations received from respective Directors, We hereby certify that as on Financial Year ended on March 31, 2023 none of the Directors on the Board of the Company as stated below have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

S. No.	Name of Director	Director Identification Number	Original Date of Appointment in the Company
1.	Mr. Deepak Kapoor	00162957	26/07/2017
2.	Dr. Mohan Chellappa	06657830	06/08/2019
3.	Ms. Nishi Vasudeva	03016991	01/08/2016
4.	Ms. Robin Ann Abrams	00030840	13/09/1999
5.	Ms. Roshni Nadar Malhotra	02346621	29/07/2013
6.	Mr. Srinivasan Ramanathan	00575854	19/04/2011
7.	Mr. Shikhar Neelkamal Malhotra	00779720	22/10/2019
8.	Dr. Sosale Shankara Sastry	05331243	24/07/2012
9.	Mr. Subramanian Madhavan	06451889	15/01/2013
10.	Mr. Simon John England	08664595	16/01/2020
11.	Mr. Thomas Sieber	07311191	17/10/2015
12.	Ms. Vanitha Narayanan	06488655	19/07/2021
13.	Mr. Vijayakumar Chinnaswamy	09244485	20/07/2021

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Chandrasekaran Associates**
Company Secretaries

Dr. S. Chandrasekaran
Senior Partner
Membership No. FCS 1644
Certificate of Practice No. 715
UDIN: F001644E000137307

Date: April 19, 2023
Place: Delhi

INDEPENDENT AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

TO THE MEMBERS OF HCL Technologies Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 18 December 2019.

2. We have examined the compliance of conditions of Corporate Governance by HCL Technologies Limited ("the Company"), for the year ended 31 March 2023, as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges.

Management's Responsibility

3. The compliance of conditions of Corporate Governance as stipulated under the listing regulations is the responsibility of the Company's Management including the preparation and maintenance of all the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

Auditors' Responsibility

4. 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.

5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March 2023.

6. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance, both issued by the Institute of the Chartered Accountants of India (the "ICAI"), in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

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

9. We 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.

Restriction on use

10. The certificate is addressed and provided to the Members of the Company solely for the purpose of enabling the Company to comply with the requirement of the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Rakesh Dewan
Partner
Membership No: 092212
UDIN:23092212BGXLZX8940

Place: Gurugram
Date: April 20, 2023

DECLARATION BY CHIEF EXECUTIVE OFFICER PURSUANT TO REGULATION 34(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

We, Roshni Nadar Malhotra, Chairperson and C. Vijayakumar, Chief Executive Officer & Managing Director 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, 2023, received from its Board members as well as senior management personnel affirmation as to compliance with the Code of Conduct.

Roshni Nadar Malhotra
Chairperson
DIN: 02346621

C. Vijayakumar
Chief Executive Officer & Managing Director
DIN: 09244485

Place: Noida (U.P.), India
Date: April 20, 2023

CERTIFICATE BY CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) PURSUANT TO REGULATION 17(8) OF THE 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, 2023 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 and that there is no involvement of the management or employee having a significant role in the Company's internal control system over financial reporting.

Roshni Nadar Malhotra
Chairperson
DIN: 02346621

C. Vijayakumar
Chief Executive Officer & Managing Director
DIN: 09244485

Prateek Aggarwal
Chief Financial Officer

Goutam Rungta
Corporate Vice President- Finance

Place: Noida (U.P.), India
Date: April 20, 2023

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

Statement from the Chair of the ESG & Diversity Equity Inclusion Committee ("ESG & DEI Committee")

Dear Stakeholders,

We are delighted to present our Business Responsibility and Sustainability Report ("BRSR") for the financial year April 1, 2022 to March 31, 2023 ("FY23"). We engaged Ernst & Young Associates LLP ("EY"), as a third party to perform an independent limited assurance of our BRSR. The independent assurance statement by EY is also enclosed as part of the Annual Report.

HCLTech has undergone significant changes during FY23. We launched a new brand identity and we published our new purpose statement – "To bring together the best of technology and our people to supercharge progress". The mantra of supercharging progress guides how we accelerate digital transformation for our clients, advances the aspirations of our people, contributes toward a more sustainable planet and works toward equitable and sustainable communities. The disclosures we present in our BRSR, reflect our HCLTech purpose.

The environmental, social and governance ("ESG") & diversity, equity and inclusion ("DEI") committee of the board met on four occasions in FY23 when HCLTech's steady progress across these dimensions was reviewed. The key dimensions of our progress against our targets, have also been validated by external third-party recognitions. Some of the highlights are outlined below:

- MSCI has rated HCLTech as an ESG 'Leader' in the software and services industry. This year, HCLTech has been recognized as a leader with an "AA" rating, a significant move up from last year's "A" rating.
- The S&P Global Sustainability Yearbook 2023 has recognized HCLTech as an 'Industry Mover'. The Yearbook lists leading companies that have demonstrated sustainable business practices in their operations.
- HCLTech has also been included in Sustainalytics' 2023 Top-Rated ESG companies list in the Software and Services Industry segment and in the Asia Pacific Region.

The progress achieved would not be possible without the appropriate focused execution and resource allocation of the initiatives and projects by the respective teams involved.

Each quarter, the committee presented its review on outcomes and relevant milestones to the board. During FY'23, in response to the recommendations of the committee, HCLTech has implemented an internal audit system covering all ESG disclosures. The outcome of the audit was reviewed by the Audit Committee of the board.

A separate sustainability report for FY'23 will also be published to give more details on the sustainability strategy implementation and the performance against the commitment and goals that have been outlined by HCLTech.

We will be eager to have your feedback on the BRSR disclosures and the sustainability report and look forward to hearing from you.

Robin Abrams
Chairperson – ESG & DEI Committee

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1	**Corporate Identity Number (CIN) of the Listed Entity**	L74140DL1991PLC046369
2	**Name of the Listed Entity**	HCL Technologies Limited
3	**Year of incorporation**	1991
4	**Registered office address**	806, Siddharth, 96, Nehru Place, New Delhi - 110019, India
5	**Corporate address**	HCL Technology Hub, SEZ, Plot No. 3A, Sector 126, Noida - 201304, U.P., India
6	**E-mail**	investors@hcl.com
7	**Telephone**	0120-430 6000
8	**Website**	www.hcltech.com
9	**Financial year for which reporting is being done**	April 1, 2022 to March 31, 2023
10	**Name of the Stock Exchange(s) where shares are listed**	National Stock Exchange of India Ltd ("NSE") and BSE Ltd. ("BSE")
11	**Paid-up Capital**	The paid-up equity share capital of HCL Technologies Limited as on March 31, 2023 is ₹542,73,30,192/- comprising of 271,36,65,096 equity shares of face value of ₹2/- each.
12	**Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report**	Mr. Santhosh Jayaram, Global Head - Sustainability santhosh.jayaram@hcl.com
13	**Reporting boundary**	The reporting scope and boundary for indicators, unless otherwise stated, covers the operations of HCLTech across all locations globally.

Note: All of HCLTech workforce is categorized as 'Employees' and none as 'Workers'. Hence in all the sections, details sought of the 'Workers' category are Not Applicable to HCLTech.

II. Products / Services

14. Details of business activities (accounting for 90% of the turnover)

S. No.	Description of main activity	Description of business activity	% of turnover of the entity (FY'22)
1	Information and Communication (Revenue from Operations)	Computer programming, consultancy, and related activities	100%

15. Products / Services sold by the entity (accounting for 90% of the entity's Turnover)

S. No.	Product / Service	NIC Code	% of total turnover contributed
1	IT & Business Services ("ITBS") - ITBS enables global enterprises to transform their business via Digital Foundation, a modernized infrastructure stack built around hybrid cloud, software-defined networks, the digital workplace, and other elements; Digital Business, a combination of application services and consulting capabilities; Digital Operations, a three-pronged setup for modernized and efficient operations at enterprise level.	Services are broadly mapped to NIC classes 620 and 631	73%
2	Engineering and R&D Services ("ERS") - Engineering services and solutions in all aspects of product development and platform engineering.		16.6%
3	HCL Software - Provision of modernized software products to global clients for their technological and industry-specific requirements.		10.9%
4	Inter segment elimination		(0.5%)

III. Operations

16. Number of locations where plants and / or operations / offices of the entity are situated

Location	Number of plants	Number of offices	Total
National	Not applicable	42	42
International	Not applicable	207	207

17. **Markets served by the entity**

a. **Number of locations**

Locations	Number
National (No. of States)	9
International (No. of Countries)	53

b. **What is the contribution of exports as a percentage of the total turnover of the entity?**

The geography wise revenue of HCLTech is listed below:

	Unit	FY 2022-23
America	₹ (crore)	57,818
Europe	₹ (crore)	26,868
India*	₹ (crore)	3,935
Rest of the world	₹ (crore)	12,835
Total	**₹ (crore)**	**1,014,56**

***Note:** Includes revenue billed to India, based captive of global clients.

c. **A brief on types of customers**

HCLTech is committed to supercharging progress, delivering pioneering services and products that positively impact its clients, employees, communities and the planet. HCLTech seeks to be the preferred digital partner for Global 2000 enterprises, a strategic objective aligned to the long-term value of building deep, strategic client relationships as a trusted partner. We focus on G2000 and G2000 equivalent companies such as privately held or government-owned entities. We also work with the fastest-growing digital-native companies that are on a rapid growth track toward achieving G2000 status. HCLSoftware has its client universe which is broader and is consistent with the business objectives of a software business. The key industry verticals that HCLTech caters primarily are Financial Services, Manufacturing, Life sciences & Healthcare, Technology & Services, Public Services#, Retail & CPG, and Telecommunications, Media, Publishing & Entertainment.

Public Services include Energy & Utilities, Travel-Transport-Logistics and Government.

IV. Employees

18. **Details as at the end of the financial year**

a. **Employees and workers (including differently abled)**

S.No.	Particulars	Total (A)	Male		Female		Others	
			No. (B)	% (B / A)	No. (C)	% (C / A)	No. (D)	% (D / A)
Employees								
1	Permanent (D)	225,944	159,842	70.7%	65,907	29.2%	195	0.09%
2	Other than Permanent (E)	15,408	11,254	73.0%	4,007	26.01%	147	0.95%
	Total employees (D + E)	**241,352**	**171,096**	**70.9%**	**69,914**	**28.96%**	**342**	**0.14%**

Note: Disclosing gender is voluntary for HCLTech employees. The employees who have not disclosed their gender are categorized as 'Others'.

b. **Differently abled Employees and workers**

S.No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Differently abled employees						
1.	Permanent (D)	549	386	70.31%	163	29.69%
2.	Other than Permanent (E)	7	7	100%	0	0
	Total differently abled employees (D + E)	**556**	**393**	**70.68%**	**163**	**29.32%**

19. Participation / Inclusion / Representation of women

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	13	4	30.76
Key Management Personnel	3	0	0.00

20. Turnover rate for permanent employees and workers

	FY 2022-23				FY 2021-22				FY 2020-21		
	Male	Female	Others	Total	Male	Female	Others	Total	Male	Female	Total
Permanent Employees	19.83%	18.60%	15.67%	19.50%	21.87%	22.05%	31.67%	21.92%	9.81%	10.16%	9.90%

Note: This data is voluntary attrition % (LTM – IT Services)

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. Names of holding / subsidiary / associate companies / joint ventures:

Details of Holding, Subsidiary and Associate Companies (including joint ventures) are provided in Directors' Report (Section 8), which forms part of the Annual Report.

All the entities indicated participate in the Business Responsibility initiatives of the listed entity.

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes / No) - Yes
(ii) Turnover (in crore): ₹101,456 (as per consolidated financial statements); ₹ 46,276 (as per Standalone financial statements)
(iii) Net worth (in crore)**:** ₹65,398 (as per consolidated financial statements); ₹ 41,104 (as per Standalone financial statements)

VII. Transparency and Disclosures Compliances

23. Complaints / Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Employees

The Company is committed to provide employees with a safe and secure work environment, which is free of discrimination and harassment, including any form of sexual harassment. The Company's 'Grievance Redressal Protocol' outlines ways of working, responsibilities and processes adopted during handling violations pertaining to following:

- Acts which violate POSH Act 2013 & Secure Policy of the Company.
- Acts which violate COBEC and ABAC Policy of the Company and Acts which come under the purview of Whistleblower Policy of the Company.

The Company has implemented several avenues to resolve employee problems, including the Secure (Anti-Sexual Harassment Initiative), HEAR (Hearing Employees and Resolving their Concerns) platform, and the Whistleblower Policy.

"HEAR" is an integrated channel and serves as access to the Desk of the Ombudsman who directs any grievance raised by the employees to the appropriate individuals to investigate. All employee grievances (including employee / HR related matters) can be reported by writing directly to hear@hcl.com. In case any employee experiences any form of Sexual harassment they can report the incidents by directly writing to Secure@hcl.com. The complaints covered under the Whistleblower Policy can be raised by writing to whistleblower@hcl.com.

For details on employee grievances and resolution, please refer to question 13 of principle 3 and question 6 of principle 5. During FY 2022-23, 54 whistleblower complaints have been filed by employees. Additionally, 66 anonymous complaints were also received.

Investors / Shareholders

The Company's shareholders' grievance redressal mechanism ensures accountability & transparency and is overseen by the Stakeholders' Relationship Committee of the Company. All shareholders queries / grievances are promptly responded to by the Registrar and Share Transfer Agent or the Company. The Company has also placed on its website the FAQs which may be helpful for the shareholders to get information on shareholders related matters and guides them on the steps / documents required to process their requests on various matters. For investor related complaints, refer to section 'Investors' Grievances' in the Corporate Governance Report.

Customers

HCLTech has institutionalized process to help customers raise grievance and complaints related to its business conduct. These include the following:

- Customer Advisory Board (CAB) – It consists of CXOs from our strategic accounts across a variety of industries. The CAB member perspectives, insights and directional guidance help HCLTech better address customer needs and ensure our value propositions and services continue to deliver real value to our customers.

- CREST - Through a governance framework called CREST, HCLTech has institutionalized the process of cadence meetings, the process of checking in regularly with clients. Any customer complaints or escalations as received by the LOB heads, are picked by the respective delivery owners and actions are put in place to address their concerns. This is then tracked as part of Quarterly Business Review ("QBR") or Executive Business Review ("EBR") which is attended by the LOB heads along with customers and tracked as part of CREST.

- ACSAT & PCSAT - HCLTech measures client satisfaction both at project level as well as engagement level. At project level, HCLTech under its Project CSAT (PCSAT) initiative surveys close to 3000+ projects to monitor client satisfaction for each project, while once a year, an independent third party conducts an account-level CSAT (ACSAT) to provide a health check on client engagement and relationships, benchmarked against competitors.

- CRISP – HCLTech has a unique framework called CRISP which is adopted across the organization to act on customer feedback. Taking an action on customer feedback is the key tenet of customer centricity and has helped us improve the relationship with customer and enhance our services over the years. CRISP is an acronym for Customer Relationship Improvement and Solutioning Partnership.

- HCLTech's account management teams also connects with their respective customers on monthly basis to capture their feedback and highlights the same internally. The account teams accordingly take proactive actions to prevent any dissatisfaction.

- Finally HCLTech also has an effective Whistleblower Policy which defines and lays down the process for raising a Complaint for any stakeholder including our clients. They can write to whistleblower@hcl.com wherein any complaints related to Unethical and Improper Practices will be dealt by this Policy. Any HR related complaints are forwarded to hear@hcl.com.

Together these mechanisms ensure HCLTech is well equipped to proactively handle any complaints / grievances on any of the 9 governing principles.

Value Chain Partners

The Company is committed to aiding Suppliers and Partners in adhering to policies and practices. In the event of a grievance, the Company welcomes input and promote communication with any interested party. If suppliers have any questions, concerns, or grievances about Company's policies or procedures, they are encouraged to email us at procurementconcerns@hcl.com. The whistleblower policy of the Company extends to value chain partners as well. During the financial year 2022-23, no grievances were received.

Communities

The corporate social responsibility agenda for HCLTech is delivered by the HCL Foundation. It deeply upholds the value of accountability and aims to accept, assess, and resolve feedback or complaints received from our community of stakeholders ranging from but not limited to HCL Foundation employees, HCLTech employees, volunteers, third-party employees, consultants associated with the projects of the Company, NGO partners, social sector organizations, government authorities, programme participants, community members and others. Any deviation from the law of the land, HCLTech Code of Conduct or HCL Foundation Child Protection Policy by any stakeholder associated with the programmes / projects of the Company is taken up seriously for review and redressal via multi-pronged, scientific and transparent channels.

HCL Foundation aims to ensure that every stakeholder is provided a safe environment to share their concerns / grievances. High level of confidentiality is maintained in sensitive matters to respect and maintain dignity of the complainant. No grievances have been received from community in FY 2022-23.

24. Overview of the entity's material responsible business conduct issues

Details of Company's material issues and associated risks and opportunities is available in Sustainability Report, Section 'Stakeholder Engagement'.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a) Whether your entity's policy /policies cover each principle and its core elements of the NGRBCs. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b) Has the policy been approved by the Board? (Yes / No)	Yes. The Policies are approved in accordance with the authorities delegated by the Board.								
c) Web Link of the Policies, if available	P1: Code of Business Ethics and Conduct: https://www.hcltech.com/investors/governance-policies/cobecpdf Anti-Bribery & Anti-Corruption policy: https://www.hcltech.com/investors/governance-policies/abacpdf Dividend Distribution Policy: https://www.hcltech.com/sites/default/files/dividend_distribution_policy.pdf Group tax strategy: http://www.hcltech.com/sites/default/files/hcl_group_tax_strategy_03122019.pdf Composition of various committees of board of directors: https://www.hcltech.com/sites/default/files/composition_of_various_committees_of_board_of_directors2k1.pdf Criteria of making payments to non-executive directors: https://www.hcltech.com/sites/default/files/documents/inline-migration/criteria_of_making_payments_to_non_executive_directors.pdf								
	P2: Procurement Policy: https://www.hcltech.com/sites/default/files/documents/Procurement-Policy.pdf Code of Business Ethics and Conduct: https://www.hcltech.com/investors/governance-policies/cobecpdf Anti-Bribery & Anti-Corruption policy: https://www.hcltech.com/investors/governance-policies/abacpdf Environmental Sustainability Policy: https://www.hcltech.com/sites/default/files/documents/sustainability/EMS-Policy-2022.pdf Occupational Health & Safety Policy: https://www.hcltech.com/sites/default/files/documents/sustainability/OHS-Policy-2022.pdf								
	P3: Procurement Policy: https://www.hcltech.com/sites/default/files/documents/Procurement-Policy.pdf Code of Business Ethics and Conduct: https://www.hcltech.com/investors/governance-policies/cobecpdf Occupational Health & Safety Policy: https://www.hcltech.com/sites/default/files/documents/sustainability/OHS-Policy-2022.pdf Whistleblower Policy: https://www.hcltech.com/investors/governance-policies/whistleblowerpolicypdf Remuneration Policy: https://www.hcltech.com/investors/governance-policies/rempolicypdf HCL Group Tax Strategy: https://www.hcltech.com/sites/default/files/HCLGroupTaxStrategyFY22.pdf Human Rights Policy: https://www.hcltech.com/sites/default/files/documents/inline-migration/human-rights-policy.pdf								
	P4: Code of Business Ethics and Conduct: https://www.hcltech.com/investors/governance-policies/cobecpdf Whistleblower Policy: https://www.hcltech.com/investors/governance-policies/whistleblowerpolicypdf Dividend Distribution Policy: https://www.hcltech.com/sites/default/files/dividend_distribution_policy.pdf Policy for determination of materiality of event or information: https://www.hcltech.com/investors/governance-policies/eterminationofmaterialityofeventspolicypdf Related Party Policy: https://www.hcltech.com/investors/governance-policies/rptpolicypdf Fair Disclosure Code: https://www.hcltech.com/investors/governance-policies/fair-disclosure-codepdf								
	P5: Code of Business Ethics and Conduct: https://www.hcltech.com/investors/governance-policies/cobecpdf Human Rights Policy: https://www.hcltech.com/sites/default/files/documents/inline-migration/human-rights-policy.pdf								

	P6: Environmental and Sustainability Policy: https://www.hcltech.com/sustainability#policies Energy Policy: https://www.hcltech.com/sites/default/files/documents/sustainability/EnMS-Policy-2022.pdf Occupational Health & Safety Policy: https://www.hcltech.com/sites/default/files/documents/sustainability/OHS-Policy-2022.pdf Procurement Policy: https://www.hcltech.com/sites/default/files/documents/Procurement-Policy.pdf								
	P7: Code of Business Ethics and Conduct: https://www.hcltech.com/investors/governance-policies/cobecpdf Anti-Bribery & Anti-Corruption policy: https://www.hcltech.com/investors/governance-policies/abacpdf								
	P8: CSR Policy: https://www.hcltech.com/investors/governance-policies/csrpolicypdf								
	P9: Code of Business Ethics and Conduct: https://www.hcltech.com/investors/governance-policies/cobecpdf Anti-Bribery & Anti-Corruption policy: https://www.hcltech.com/investors/governance-policies/abacpdf Privacy Statement : https://www.hcltech.com/privacy-statement								
2. Whether the entity has translated the policy into procedures (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	-
3. Do the enlisted policies extend to your value chain partners? (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	-
4. Name of the national and international codes / certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) mapped to each principle	• ISO 37001:2022 • ISO 45001:2018 • ISO 14001:2015 • ISO 50001:2018 • ISO 9001:2015 • ABMS ISO 37001:2016 • LEED Certification • Great Place to Work								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any	Principle 1: • Integrating ESG into Risk management process and internal audit process. Principle 2: • Strengthening the sustainable supply chain process. Principle 3: • Improving the ESG Knowledge and Skills of the employees. • Improving the gender diversity in workforce with 40% Women by 2030. • Increase gender representation in senior leadership levels to 30% by 2030. • Being recognized among the best employers in our key operating geographies. Principle 5: • Strengthening the sustainable supply chain process. Principle 6: • Achieve Net Zero by 2040. • Achieve a reduction of 50% on absolute scope 1 & 2 emissions by 2030 compared to 2020 baseline. • Transition to 80% of electricity usage to renewable energy by 2030. • Maintain Zero Discharge from all owned facilities. • Achieve Zero Waste to Landfill at all owned facilities by 2025. • Strengthening the sustainable supply chain process. Principle 8: • Strengthening the sustainable supply chain process. Principle 9: • Being recognized among industry leaders for information security practices and data privacy standards.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met	Details on performance against the Company commitments are available in the Sustainability Report 2023.								

Governance, Leadership, and Oversight	
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	The Statement is available at the beginning of the BRSR section.
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy/policies	The highest executive authority responsible for the implementation of the policies is the CEO & Managing Director – Mr. C. Vijayakumar.
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details	The Company has an ESG & DEI Committee of the Board. The members of the ESG & DEI Committee are: • Ms. Robin Ann Abrams (DIN 00030840) Independent Director Chairperson of the Committee • Ms. Roshni Nadar Malhotra (DIN 02346621) Non Independent Director Chairperson of HCL Technologies Limited • Mr. Simon John England (DIN 08664595) Independent Director Mr. C. Vijayakumar, CEO & Managing Director, is an invitee to this Committee.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board / Any other Committee								
	P1	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**
Performance against above policies and follow up action	Yes, the ESG & DEI Committee reviews the performance.								
	Frequency (Annually / Half yearly / Quarterly / Any other – please specify)								
	Quarterly								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	**Indicate whether review was undertaken by Director / Committee of the Board / Any other Committee**								
	Yes								
	Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	Annually								

	P1	P2	P3	P4	P5	P6	P7	P8	P9
11. Has the entity carried out independent assessment / evaluation of the working of its policies by an external agency?	• Ernst and Young Associates LLP • BSI								

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:

Not Applicable

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

In this section, the Company will delve into how it has demonstrated its performance in integrating the National Guidelines of Responsible Business Conduct ("NGRBC") Principles and its core elements with its key processes and decisions.

The information sought is categorized as "Essential" and "Leadership". While the essential indicators are mandatory, the leadership indicators present an opportunity for it to aspire towards higher levels of responsibility and showcase its voluntary disclosures. The Company's comprehensive report encompasses both essential and leadership indicators, providing a thorough assessment of its commitment to social, environmental, and ethical responsibility.

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators:

1. **Percentage coverage by training and awareness programmes on any of the principles during the financial year**

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	Through the learning platform, the Company offers several courses covering the principles of BRSR. Topics covered include, Business ethics, workplace conduct, fraud, bribery and corruption, conflicts of interest, financial interests, personal relationships, money laundering, money laundering risk lifecycle, speaking up, information security, climate change etc.		100%
Key Managerial Personnel			100%
Employees other than BoD and KMPs			100%

2. **Details of fines / penalties / punishment / award / compounding fees / settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators / law enforcement agencies / judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity's website):**

   None.

3. **Of the instances disclosed in Question 2 above, details of the Appeal / Revision preferred in cases where monetary or non-monetary action has been appealed.**

   Not Applicable.

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

   Yes, the Company has Code of Business Ethics and Conduct (COBEC)*, Anti-Bribery & Anti-Corruption policy ("ABAC")$ and Anti-Bribery & Anti-Corruption Note from our CEO#. These apply to all individuals working worldwide for all affiliates and subsidiaries of HCLTech at all levels and grades. It covers giving and offering of bribes, and bribing of government officials, facilitation payments, charitable donation, political activities. Foreign Corrupt Practices Act (FCPA) & UK Bribery Act (UKBA) are the governing legislations of this policy. The Anti-Bribery Management Systems (ABMS) is certified against ISO 37001-2016. Certification can be accessed at the website of the Company at https://www.hcltech.com/investors/corporate-certifications

   Note:

   * https://www.hcltech.com/investors/governance-policies/cobecpdf
   $ https://www.hcltech.com/investors/governance-policies/abacpdf
   # https://www.hcltech.com/sites/default/files/documents/inline-migration/anti-bribery_anti-corruption_note_from_our_ceo.pdf

5. **Number of Directors / KMPs / employees / workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery / corruption.**

Particulars	FY 2022-23	FY 2021-22
Directors	Nil	Nil
KMPs		
Employees		

6. **Details of complaints with regard to conflict of interest**

Particulars	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil			
Number of complaints received in relation to issues of Conflict of Interest of the KMPs				

7. **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators / law enforcement agencies / judicial institutions, on cases of corruption and conflicts of interest.**

   Not applicable, since there were no issues related to fines / penalties / action taken by regulators / law enforcement agencies / judicial institutions, on cases of corruption and conflicts of interest at HCLTech.

Leadership Indicators:

1. **Awareness programmes conducted for value chain partners on any of the principles during the financial year**

Total number of awareness programmes held	Topics / principles covered under the training	% of value chain partners covered (by value of business done with such partners) under the awareness programmes
580	During the financial year, the Company has conducted various awareness programs for its value chain partners to promote Health and Safety, Wellbeing, Awareness and Policies, and Ethics. A range of topics was covered including risk assessment & work permit system awareness, awareness on electrical safety, LOTO (Lockout-Tagout) system, energy consumption & conservation, chemical safety & MSDS awareness, fire safety, emergency preparedness & evacuation procedure awareness, awareness on incident reporting & management, awareness on QHSEE Policy- objectives & targets, awareness on Legal compliances, mental health awareness, awareness on power tools safety, PPE & its Importance, slip-trip- fall & ergonomics awareness, confined space & lone working awareness, safe driving / road safety, energy conservation, environmental impacts, waste reduction. Trainings were also conducted on aspects like ethics, anti-bribery, POSH and information security.	100% of high-risk value chain partners are covered.

2. **Does the entity have processes in place to avoid / manage conflict of interests involving members of the Board? (Yes / No) If yes, provide details of the same.**

   Yes.

   The Company receives from the members of the Board, a list of entities in which they are interested, at the beginning of every financial year and as and when there is any change in such interest. It is ensured that the requisite approvals as required under the statute as well as the Company's policies are in place before transacting with such entities.

   Further, the Company has adopted the Code of Business Ethics and Conduct which requires that the Directors of the Company shall avoid any activity or association that creates or appears to create a conflict between the personal interests of the Directors and the business interests of the Company.

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe.

Essential Indicators:

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

Particulars	FY 2022-23	FY 2021-22	Details of improvements in environmental and social impacts
R&D (₹ in crores)	1,632	1,526	R&D investments are made to upgrade the effectiveness of the products and services and to develop new products and services. All the products and services help in improved efficiency for the Company's clients and thus resulting in environmental and social benefits.
Capex (₹ in crores)	1,661	1,645	Capex is mostly on the infrastructure. Better equipment and better buildings improve the Company's energy efficiency and accessibility.

2. **a) Does the entity have procedures in place for sustainable sourcing? (Yes / No):** Yes.

b) If yes, what percentage of inputs were sourced sustainably?

The Company has a procedure in place to onboard suppliers' basis sustainability parameters. All new vendor onboarding goes through HCLTech's Vendor Due Diligence process which also covers ESG. HCLTech has also started doing a supply chain ESG risk assessment and based on the risk, have started ESG assessments on selected vendors. Thus, 100% of the Company's suppliers are covered under our sustainable sourcing program.

3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Not Applicable.

4. Whether Extended Producer Responsibility ("EPR") is applicable to the entity's activities (Yes / No).

If yes, whether the waste collection plan is in line with the EPR plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Not Applicable.

Leadership Indicators:

1. Has the entity conducted Life Cycle Perspective / Assessments ("LCA") for any of its products (for the manufacturing industry) or for its services (for the service industry)? If yes, provide details in the following form at?

Not Applicable.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the LCA or through any other means, briefly describe the same along-with action taken to mitigate the same.

Not Applicable.

3. Percentage of recycled or reused input material to total material (by value) used in production (For manufacturing industry) or providing services (for service industry).

Not Applicable.

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed of.

Not Applicable.

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Not Applicable.

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains.

Essential Indicators:

1. a) Details of measures for the well-being of employees.

Category	% of employees covered by										
	Total (A)	Health insurance*		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	121,623	121,623	100%	121,623	100%	NA	NA	121,623	100%	121,623	100%
Female	51,481	51,481	100%	51,481	100%	51,481	100%	NA	NA	51,481	100%
Others	-	-	-	-	-	-	-	-	-	-	-
Total	**173,104**	**173,104**	**100%**	**173,104**	**100%**	**51,481**	**100%**	**121,623**	**100%**	**173,104**	**100%**

Note: 1. * Health insurance includes ESIC coverage.
2. India Headcount has been considered for the table above.

2. **Details of retirement benefits**

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	NA	Y	100%	NA	Y
Gratuity	100%	NA	Y	100%	NA	Y
ESI	10.88%	NA	Y	12%	NA	Y
Others - please specify	-	-	-	-	-	-

Note: India Headcount has been considered for the table above.

3. **Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes. All of HCLTech's office spaces are equipped with ramps, voice enabled lifts, PWD washrooms, reserved parking spaces, and an emergency warning system with both audio and visual alarms. The Company has also conducted third-party assessment on its facilities in relation to accessibility during the year 2022-23. Additionally, all of the Company's websites and internal portals are in line with the WCAG guidelines, and the Company constantly update its portals to make them more accessible.

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link of the policy.**

Yes, the Company has an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016.

5. **Return to work and Retention rates of permanent employees and workers that took parental leave.**

	Permanent employees	
Gender	**Return to work rate**	**Retention rate**
Male	99.97%	68.7%
Female	98.87%	63.9%
Total	**99.42%**	**66.8%**

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief:-**

Particulars	*(If yes, then give details of the mechanism in brief)*
Permanent Employees	Yes. HCLTech has a multi-tiered grievance handling mechanism that includes dedicated channels for addressing harassment, whistle-blower, security incidents, discrimination, general grievances, etc. It applies to all employees. The Company has instituted multiple channels to address employee grievances, such as Secure (Anti-Sexual Harassment Initiative), HEAR (Hearing Employees and Resolving their concerns) platform and the Whistleblower Policy. HEAR (Hearing Employees and Resolving their concerns) platform provides fair, neutral, and independent access for employees to voice their concerns. Employees can write to hear@hcl.com with their concerns and if it's related to the company & its employees, fair and just access is provided in resolving their grievances. In case any employee experiences any form of sexual harassment, they can report the incident by directly writing to secure@hcl.com. To ensure appropriate reporting of Unethical and Improper Practices, the Company encourage its employees to report matters to whistleblower@hcl.com.
Other than Permanent Employees	

7. **Membership of employees and workers in association(s) or Unions recognized by the listed entity**

While HCLTech does not restrict any employee from being a member of any employee-related association and provides freedom, the company also ensures that it abides by the local laws present across the geographies that it operates in.

Category	FY 2022-23			FY 2021-22		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	225,944	742	0.33	208,877	729	0.35
- Male	159,842	641	0.40	150,281	634	0.42
- Female	65,907	101	0.15	58,525	95	0.16
- Others	195	-	-	71	-	-

Note: The above data is inclusive of Work councils and Unions.

8. **Details of training given to employees and workers**

Health and Safety Trainings: Based on the risk exposure, periodic trainings are conducted for HCLTech employees and contractor employees.

Skill upgradation trainings:

	FY 2022-23			FY 2021-22		
Category	Total (A)	On skill upgradation		Total (C)	On skill upgradation	
		No. (B)	% (B/A)		No. (D)	% (D/C)
Male	171,096	124,462	72.74%	150,281	95,491	63.54%
Female	69,914	52,947	75.73%	58,525	34,341	58.68%
Others	342	33	9.6%	71	30	42.25%
Total	**241,352**	**177,442**	**73.52%**	**208,877**	**129,862**	**62.17%**

9. **Details of performance and career development reviews of employees and worker**

100% of eligible employees have received performance and career development reviews.

10. **Health and safety management system**

a) **Whether an occupational health and safety (“OH&S”) management system has been implemented by the entity? (Yes / No). If yes, what is the coverage of such a system?**

Yes, while 100% of HCLTech employees are covered under the OH&S Policies and procedures, facilities covering 65% of HCLTech employees are certified against ISO 45001.

b) **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

The Company has established, implemented, and maintained a formal process for hazard identification, risk assessment and control to effectively manage workplace and safety hazards across our facilities. HCLTech uses the failure mode effect analysis (“FMEA”) to identify work-related hazards and assess risks on a routine and non-routine basis.

c) **Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks.**

Yes.

d) **Do the employees / workers of the entity have access to non-occupational medical and healthcare services?**

Yes.

11. Details of safety related incidents, in the following format

Safety Incident / Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate ("LTIFR") (per one million-person hours worked)	Employees	The Company is continuously looking to strengthen the monitoring systems in place and will start reporting on this data point in future.	
Total recordable work-related injuries	Employees	5	1
No. of fatalities	Employees	-	-
High consequence work-related injury or ill-health (excluding fatalities)	Employees	-	-

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

The Company has the following measures to ensure a safe and healthy workplace:

1. Compliance with country specific Health & Safety laws.
2. Training on Occupational Health and Safety to employees.
3. Inspection & audits to check the compliance level.
4. Provision of Personal Protective Equipment to employees wherever needed.

In addition to this, HCL Healthcare, which is an arm of HCLTech Group provides end-to-end health care solutions to employees and their family members. The Company also provide added lab services, virtual specialist doctor consultations, eye care solutions and dental services. The Company's clinics are designed to meet international standards and are committed to providing a comprehensive range of health care solutions to its employees and their families. HCLTech sites are certified under the OHS management system and it ensures the required measures are taken as per the standard to provide a safe and healthy workplace. Additionally, HCLTech sites are certified under PROTEK - POSI ("Prevention of spread of infection").

The Company has the necessary systems in place to ensure employees' safety is not compromised and they are encouraged to discuss any work-related hazards and health issues. The Company has safety committees that meet at regular intervals. The Company has safety incident reporting and management process to ensure that all work-related incidents are reported and closed after taking necessary corrective actions.

13. Number of complaints on the following made by employees and workers

Particulars	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	14	1	-	1	-	-
Health & Safety	5	-	-	-	-	-

14. Assessments for the year

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

The Company has taken proactive steps to address safety incidents and mitigate risks associated with health and safety practices. These measures reflect its commitment to maintaining a safe working environment and prioritizing the well-being of our employees and stakeholders.

To enhance accessibility and inclusivity, The Company has modernized entry / exit points at the Noida campus (Sector-126), specifically focusing on gate no. 2 to ensure smooth access for People with Disability (PWDs). This initiative promotes equal opportunities and aligns with Compnay's commitment to diversity and inclusivity. Rigorous adherence to Safe Work Method Statement ("SWMS") has been implemented before undertaking any hazardous work at the Noida Campus. This systematic approach ensures that potential risks are identified, assessed, and appropriate safety measures are in place, minimizing the likelihood of incidents and promoting a culture of safety.

Recognizing the importance of emergency preparedness, the Company is in the process of reworking the Emergency Management Process at the Noida Campus. Collaborating with external agencies, the Company aims to holistically improve the safety environment within the office premises. This initiative encompasses comprehensive safety measures for employees, visitors, vendor staff, and even children, ensuring their well-being during any unforeseen circumstances.

Adequate monitoring measures have been deployed during material shifting on service lifts at the Chennai Campus. This focus on monitoring helps mitigate potential risks associated with material handling and transportation, reducing the likelihood of accidents and injuries. Regular Planned Preventive Maintenance ("PPM") work is carried out at the Chennai Campus. By conducting routine maintenance activities, the Company ensure the optimal functioning of equipment and infrastructure, minimizing potential hazards and improving overall safety conditions.

To address specific risks and concerns, a study and risk assessment on water floods were conducted at the Jigani Campus in Bangalore. This comprehensive evaluation enables the Company to implement appropriate measures to mitigate the risks associated with water flooding, enhancing the safety of its operations.

Several infrastructure improvements have been made at the Company's campuses. For instance, the FM200 fire suppression system at the Bengaluru Jigani Campus has been replaced with the NOVAC system, enhancing fire safety measures.

Additionally, the cooling tower platform at the Bengaluru Jigani Campus has been replaced with Fiber Reinforced Plastic ("FRP") material, ensuring structural integrity and promoting a safe working environment.

Various other initiatives, such as installing handrails, implementing safety systems, conducting floor activities, and enhancing lighting and emergency provisions, have been undertaken across the Compnay's campuses to address specific safety concerns and promote a culture of safety.

By continuously evaluating risks, conducting assessments, and implementing appropriate measures, the Compnay strives to enhance health and safety practices across its campuses, fostering a culture of safety and well-being for all.

Leadership Indicators:

1. **Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).**

   Yes, covering all the employees of the Company.

2. **Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

   At HCLTech, all legal compliances are reviewed as part of our vendor audits.

3. **Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

Particulars	Total no. of affected employees / workers		No. of employees / workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Employees	-	-	-	-

4. **Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? *(Yes / No)***

   Yes.

5. **Details on assessment of value chain partners:**

Particulars	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety conditions	100% of the high-risk value chain partners are covered.
Working conditions	100% of the high-risk value chain partners are covered.

6. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

   Below are few of the corrective actions taken to address different risk / concerns recorded in audits-

   - Toolbox talk provision for external service provider workers pertain to assigned work has been provisioned to put control and create awareness on PPEs importance and work related OH&S risk.
   - As per the Company Policy the CCTV cameras are monitored, and the data is maintained for 30 days. All relevant data are maintained for records.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders.

Essential Indicators:

1. **Describe the processes for identifying key stakeholder groups of the entity.**

   The first stage of HCLTech's stakeholder relations involves mapping and prioritizing key stakeholders based on relevance, role, and influence. Once the stakeholders have been identified and prioritized, the engagement channels are established. The result from the engagement is channelised inside the organization and ensures that the stakeholder gets the right feedback or resolution as the case may be. Internal Stakeholders of the Company include employees, senior leaders, managers, Board of Directors, members of HCL Foundation. External stakeholders include customers, investors, regulatory bodies, vendors, service providers and media. The stakeholder engagement exercise has helped the Company's ESG focus areas in line with its underlying philosophy of Act, Pact & Impact. Stakeholder engagement is a critical aspect of HCLTech's ESG strategy. Stakeholder engagement at HCLTech is a continuous process and helps us gauge and address the expectations of our stakeholders.

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

   Details of stakeholder engagement are available in Sustainability Report (Section 'Stakeholder Engagement').

Leadership Indicators:

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   The Executive Directors and Senior Management Personnel are actively engaged in regular interactions with various stakeholders, including investors, employees, and customers. These engagements provide invaluable feedback that plays a crucial role in the Company's commitment to sustainability. The feedback obtained from these interactions is then brought to the attention of the Board to ensure that the concerns and ideas of its stakeholders are given due consideration.

   In addition, any significant topics that arise through regular stakeholder engagement are brought to the Board through various channels. The Company has a well-defined process in place for addressing suggestions, complaints, and grievances, which are carefully evaluated based on their significance. Depending on the nature and scope of the issues, they are referred to the appropriate committee of the Board.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

   Yes. The stakeholder consultations are one of the key inputs to determining the material topics. The Company looked at the aspects each stakeholder has brought out during the engagement and prioritized them using a risk and responsibility matrix to arrive at the Company's 12 material topics.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

The CSR projects handled by HCL Foundation focus on vulnerable / marginalized stakeholders as beneficiaries. The design of all Company's interventions ensure that the beneficiaries of its projects are from the vulnerable / marginalized groups. The Diversity, Equity and Inclusion activities of the Company also include actions in support which are explained in the respective section of the annual report and sustainability report.

PRINCIPLE 5: Businesses should respect and promote human rights.

Essential Indicators:

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Employees						
Permanent	225,944	210,843	93.32%	208,877	174,020	83.31%
Other than permanent	15,408	13,364	86.73%	15,957	9,856	61.77%
Total employees	**241,352**	**224,207**	**92.90%**	**224,834**	**183,876**	**81.78%**

2. **Details of minimum wages paid to employees and workers, in the following format**

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	159,842	0	0%	159,842	100%	150,281	0	0%	150,281	100%
Female	65,907	0	0%	65,907	100%	58,525	0	0%	58,525	100%
Others	195	0	0%	195	100%	71	0	0%	71	100%
Other than permanent										
Male	11,254	0	0%	11,254	100%	11,539	0	0%	11,539	100%
Female	4,007	0	0%	4,007	100%	4,255	0	0%	4,255	100%
Others	147	0	0%	147	100%	163	0	0%	163	100%

3. **Details of remuneration / salary / wages, in the following format:**

Particulars	Male		Female	
	Number	Median remuneration / salary / wages of respective category (₹ in Crore)	Number	Median remuneration / salary / wages of respective category (₹ in Crore)
Board of Directors**	Refer Section 40 of the Directors' Report**			
Key Managerial Personnel				
Employees other than BoD & KMP				

Note: ** Section 40 of the Directors' Report includes ratio of remuneration of each director to the median remuneration of the employees and the percentage increase in the median remuneration of employees in the financial year.

4. **Do you have a focal point (Individual / Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes / No)**

Yes

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

Employees and Individuals affected have access to mechanisms to raise concerns and such mechanisms are accessible, equitable and transparent. Any Employee or Individual may report a concern in writing or orally by communicating it to one of the following:

- Their Reporting Manager;
- Human Resources; and / or
- The Ethics Committee via whistleblower@hcl.com.

Employees and Individuals are advised to submit a written complaint narrating the true sequence of the events leading to the violation along with any supporting evidence. Concerns may be reported as confidential or on an anonymous basis. The Company is committed to keeping the identity of the reporting Employee or Individual confidential to the maximum extent as consistent with the Company's legal obligations but subject to the Company's need to investigate reported violations.

6. **Number of Complaints on the following made by employees and workers:**

Particulars	FY 2022-23			FY 2021-22		
	Filed during the year	**Pending resolution at the end of year**	**Remarks**	**Filed during the year**	**Pending resolution at the end of year**	**Remarks**
Sexual Harassment	55	16*	-	23	2*	-
Discrimination at workplace	Nil	Nil	Among the workplace grievances reported by employees in FY 2022-23, there are no substantiated issues with respect to discrimination.	Nil	Nil	Among the workplace grievances reported by employees in FY 2021-22, there are no substantiated issues with respect to discrimination.
Child Labour	Nil	Nil	-	Nil	Nil	-
Forced Labour/ Involuntary Labour	Nil	Nil	-	Nil	Nil	-
Wages	Nil	Nil	-	Nil	Nil	-
Other human rights related issues	Nil	Nil	-	Nil	Nil	-

*As on March 31st of respective year

7. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

The "SECURE" initiative focuses on preventing and addressing grievances of sexual harassment in the workplace in line with HCLTech's Prevention and Redressal of Sexual Harassment at workplace policy. The policy and processes comply with the prevailing laws, specifically the "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013" for India-based employees and other relevant regulations in the countries that it operates. In case any employee experiences any form of sexual harassment, they can report the incident by directly writing to secure@hcl.com.

The complaints raised via this channel are investigated and handled with utmost fairness and confidentiality by the Internal Complaints Committee ("ICC"). HCLTech further ensures that standard SLAs as per law are met.

False Accusation: Where the ICC arrives at the conclusion that the allegation against the respondent is malicious, or the aggrieved woman or any other person making the complaint has made the complaint knowing it to be false, or the aggrieved woman or any other person making the complaint has produced any forged or misleading document, it may recommend to the employer to take suitable action viz. written apology, warning, reprimand or censure, withholding of promotion, withholding of pay rise or increments, terminating the perpetrator from service or undergoing a counselling session or carrying out community service. This does not, however, include complaints that are difficult to prove or have been made in good faith.

Right to appeal: Any person aggrieved from the recommendations made may prefer an appeal to the court or tribunal, within the stipulated period in accordance with the manner as may be prescribed, without prejudice to provisions contained in any other law for the time being in force.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes

9. Assessments of the year

Particulars	% of plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	75%
Forced / involuntary labour	75%
Sexual harassment	75%
Discrimination at workplace	75%
Wages	75%
Others – please specify	-

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

No significant risk / concern identified.

__Leadership Indicators:__

1. Details of a business process being modified / introduced as a result of addressing human rights grievances / complaints.

No significant changes in process were required resulting from the grievances and complaints this year.

2. Details of the scope and coverage of any Human rights due diligence conducted

An independent third-party human rights assessment was conducted which covered 75% of Company's office locations as per employee headcount. The Company has incorporated human rights aspects into the due diligence process for onboarding any new vendor.

3. Is the premise / office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes.

4. Details on assessment of value chain partners:

Particulars	% of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	The Company's framework for assessment is a risk based one and not just based on the value of business. The Company ensures communication to all vendors through incorporation of relevant contractual clauses in the agreement executed. 100% of new vendor due diligences cover these topics. Covered as part of vendor risk assessment of selected high-risk vendors.
Discrimination at workplace	
Child labour	
Forced/involuntary labour	
Wages	
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Appropriate trainings and capacity buildings are conducted based on the concerns arising from the assessments.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators:

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total electricity consumption (A)	GJ	973,417.28	888,909.00
Total fuel consumption (B)	GJ	44,080.16	35,445.3
Energy consumption through other sources (C)	GJ	-	-
Total energy consumption (A+B+C)	GJ	**1,017,497**	**924,354**
Energy intensity per rupee of turnover *(Total energy consumption / turnover in rupees)*	GJ/Million ₹	1.00	1.07

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, the independent assurance of BRSR and Sustainability Report was conducted by Ernst & Young Associates LLP and Assurance Statement is a part of respective reports. In addition, independent assurance for quantification and reporting of greenhouse gas emissions and removals was conducted by BSI against ISO 14064-1:2018.

2. Does the entity have any sites / facilities identified as Designated Consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres) all values in KL		
(i) Surface water	-	-
(ii) Groundwater	286,101.20	311,277
(iii) Third party water (Tanker and drinking water supplies)	342,432.63	231,972
(iv) Seawater / desalinated water	-	-
(v) Others (Rainwater and Municipality water)	244,154.00	156,070.23
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**872,688**	**699,319**
Total volume of water consumption (in kilolitres)	**863,373**	**675,866**
Water intensity per rupee of turnover *(Water consumed / turnover) KL/Million ₹*	0.85	0.79

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, the independent assurance of BRSR and Sustainability Report was conducted by Ernst & Young Associates LLP and Assurance Statement is a part of respective reports. In addition, independent assurance for quantification and reporting of greenhouse gas emissions and removals was conducted by BSI against ISO 14064-1:2018.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

97% of HCL's sewage water is treated at HCLTech's sewage treatment plants. Furthermore, the treated water is re-used at its campuses. Only 3% of the sewage water is sent to the common STPs run by the local municipalities.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

This is not a material aspect.

6. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	15,878	18,765
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	157,865	143,642
Total Scope 1 and Scope 2 emissions per rupee of turnover	**MT CO_2 Equivalent / Million ₹**	**0.17**	**0.18**

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, the independent assurance of BRSR and Sustainability Report was conducted by Ernst & Young Associates LLP and Assurance Statement is a part of respective reports. In addition, independent assurance for quantification and reporting of greenhouse gas emissions and removals was conducted by BSI against ISO 14064-1:2018.

7. **Does the entity have any project related to reducing Green House Gas emissions? If yes, then provide details.**

Yes. HCLTech participated in several green projects that included increasing the percentage of renewable energy in its energy mix via power purchase agreements, energy efficiency measures that focused on optimization of chiller, EOL replacement of UPS, HVAC High side and Low side, ATCS Operation Elevator & STP operations. Additionally, the Company has started an EV conveyance initiative for its employees in the Southern Region in India which is also aimed at reducing the overall GHG emissions of the Company.

8. **Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2022-23	FY 2021-22
Total waste generated (in metric tonnes)		
Plastic waste ***(A)***	28.44	14.72
E-waste ***(B)***	383.55	127.0
Bio-medical waste ***(C)***	3.97	3.9
Construction and demolition waste ***(D)***	29.10	-
Battery waste ***(E)***	67.60	392.08
Used Oil DG ***(F)***	8.51	13.16
Other Hazardous waste. Please specify, if any. ***(G)*** **(DG Filter, DG Coolant Oil & Oil-Soaked Cotton Waste)**	2.69	2.08
Other Non-hazardous waste generated ***(H)**. Please specify, if any.* (Break-up by composition i.e. by materials relevant to the sector) **(Food Waste, Paper and Tissue, Garden Waste, Wooden waste, Carton box, Thermocol Waste, Tin waste, Shredding Papers, Metal Waste & Sanitary waste)**	1,468.30	521.65
Total (A+B + C + D + E + F + G + H)	**1,992.16**	**1,074.59**

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	1,525 MT	-
(ii) Re-used	85 MT	-
(iii) Other recovery operations	0	-
Total	**1,610 MT**	-
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	8 MT	-
(ii) Landfilling	0	-
(iii) Other disposal operations	0	-
Total	**8 MT**	**-**

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, the independent assurance of BRSR and Sustainability Report was conducted by Ernst & Young Associates LLP and Assurance Statement is a part of respective reports. In addition, independent assurance for quantification and reporting of greenhouse gas emissions and removals was conducted by BSI against ISO 14064-1:2018.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The details are as mentioned below:

- E-waste – The Company's E-waste management practices focus on reducing electronic waste, promoting responsible disposal and recycling practices, and maximizing the lifespan of IT equipment to minimize the environmental impact and promote sustainability. The Company's initiatives are briefly listed below:

    - Responsible IT Asset Disposal: Ensured implementation of proper disposal practices for IT assets at the end of their lifecycle, through partnership with certified e-waste recyclers, dismantlers / refurbishers who follow environmentally responsible processes. The goal is to ensure that IT equipment are recycled or disposed of in a manner that minimizes environmental impact and complies with E-waste handling and management guidelines.
    - IT Equipment Recycling: Collected, segregated and disposed IT Scrap in designated storerooms and initiated disposal process through verified E-waste handlers / recyclers with time bound disposal activity.
    - Employee Awareness and Training: Educated relevant team members on the importance of IT waste and guidelines for responsible IT asset management. Training sessions and awareness campaigns were organized to promote proper recycling and data wiping before disposal.
    - Performance Monitoring and Reporting: Ensured regular monitoring and reporting on IT waste metrics, such as the quantity of electronic waste generated, stored and recycling rates, to track progress and identify areas for improvement.

- Paper – With the aim of reducing paper consumption, initiatives 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.

- Reduce, Recycle, Reuse – The waste management programs are based on the principles of 3R's. All waste generated by HCL is measured and quantified. The waste is categorized according to the source and disposal method. Hazardous waste is disposed of in an environmentally friendly manner and paper waste is recycled and reused. Bio medical waste is disposed of in a safe manner. Food remains and garden waste are used to make manure.

- Plastic - In line with the Central & State Govt. (India) Directives in the year 2018, HCLTech has made all its campuses in India free from 'Single use plastics' through alternative arrangements from the year 2019.

- Other hazardous waste – Other hazardous wastes that include bio medical waste & sanitary napkin waste is disposed in a safe manner.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Not Applicable

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year (FY 2022-23):

Not Applicable

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not Applicable				

Leadership Indicators:

1. **Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:**

Parameter	Unit	FY 2022-23	FY 2021-22
From renewable sources			
Total electricity consumption (A)	GJ	178,785.52	159,677.00
Total fuel consumption (B)	GJ	-	-
Energy consumption through other sources (C)	GJ	-	-
Total energy consumed from renewable sources (A+B+C)	GJ	**178,785.52**	**159,677.00**
From non-renewable sources			
Total electricity consumption (D)	GJ	794,631.75	729,232.00
Total fuel consumption (E)	GJ	44,080.16	35,445.30
Energy consumption through other sources (F)	GJ	-	-
Total energy consumed from non-renewable sources (D+E+F)	GJ	**838,712.00**	**764,677.00**

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, the independent assurance of BRSR and Sustainability Report was conducted by Ernst & Young Associates LLP and Assurance Statement is a part of respective reports. In addition, independent assurance for quantification and reporting of greenhouse gas emissions and removals was conducted by BSI against ISO 14064-1:2018.

2. **Provide the following details related to water discharged:**

Parameter	FY 2022-23	FY 2021-22
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) To Groundwater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) To Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third parties		
- No treatment	9,315	23,453.06
- With treatment – please specify level of treatment	-	-
(v) Others (STP-Treated water)	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	**9,315**	**23,453.06**

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, the independent assurance of BRSR and Sustainability Report was conducted by Ernst & Young Associates LLP and Assurance Statement is a part of respective reports. In addition, independent assurance for quantification and reporting of greenhouse gas emissions and removals was conducted by BSI against ISO 14064-1:2018.

3. **Water withdrawal, consumption and discharge in areas of water stress (in kilolitres): For each facility / plant located in areas of water stress, provide the following information:**

   (i) Name of the area:
   (ii) Nature of operations:
   (iii) Water withdrawal, consumption and discharge in the following format:

   Not Applicable.

4. **Please provide details of total Scope 3 emissions & its intensity, in the following format:**

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	MT CO_2e	277,267	229,973
Total Scope 3 emissions per rupee of turnover	**MT CO_2e / Million ₹**	**0.27**	**0.26**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, the independent assurance of BRSR and Sustainability Report was conducted by Ernst & Young Associates LLP and Assurance Statement is a part of respective reports. In addition, independent assurance for quantification and reporting of greenhouse gas emissions and removals was conducted by BSI against ISO 14064-1:2018.

5. **With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

   Not Applicable.

6. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
GHG Reduction Initiatives-tCo_2e		
Renewable Energy	Renewable Power Purchase	24624.46
Energy Efficiency	Chiller Operational Performances Improvement	143.75
Energy Efficiency	HVAC Operational Performances Improvement	827.73
Energy Efficiency	Energy Efficient Lighting & Controls	498.18
Energy Efficiency	Effective utilization of UPS	94.91
Energy Efficiency	Elevator & STP Operation optimization	21.57
Energy Efficiency	Solar water Heater	0
Water Saving Initiatives- Water saved (ml)		
Water Management	STP Treated Water use	7.86
Water Management	Water Aerators	0
Water Management	Sensor Based water Taps	2.91
Water Management	Water efficient Operational control	25.63

Note: For additional details, refer to our Sustainability Report.

7. **Does the entity have a business continuity and disaster management plan? Give details in 100 words / web link.**

Technological, geopolitical, societal, economic, and environmental risks are all coming together to create an intrinsically complex and fast-changing global risk landscape. The Company's reputation as a 21st Century Enterprise is often measured by its resilience to threats, and how efficiently The Company respond & manage business disruptions. HCLTech is committed to its employees, clients, and interested parties to ensure that necessary efforts are made to safeguard life and safety of personnel, protect property and resume critical services at predefined levels in the event of any untoward incident. To meet the organizational continuity objective, The Company have made significant efforts towards Crisis Management and Resilience planning to ensure effective response, prioritized recovery of its time-sensitive operations and mitigation of potential business continuity risks.

Crisis and Resilience ("C&R") Program falls under the purview of Risk and Compliance function headed by the Chief Risk Officer of HCLTech. The C&R Program is guided by the board, led by subject matter experts, and is based on ISO 22301 standard and global best practices. The Company undertake active engagement with ecosystem partners for real-time horizon scanning of risks and early warning signals. The Company has embedded Resilience-by Design philosophy in the firm across different dimensions of the "new-normal" including resilience in work, workforce, workplace, technology, supply chain, and leadership. The Company has started integrating climate change risks into each of these dimensions and their business continuity / contingency planning solutions.

Being an IT / ITeS provider, there is a potential that our operations may be affected due to core-technical risks materializing inour environment like technology failures, programming errors, cyberattacks etc. In order to mitigate these risks, The Company has embedded 'Resilience-by-Design' across our organization through:

- Battle hardened Business Continuity & Disaster Recovery Plans including Cyber Incident readiness
- Geographically dispersed Data Centers
- Robust multi-vendor MPLS & Internet Network
- Scalable Work from Home (WFH) Computing capability with stringent security controls

HCLTech's Exercising and Testing Framework provides a comprehensive approach to validate effectiveness of the business continuity strategies implemented across the organization. The Company conduct exercises at facility, city, country level(s) based on nature, scale, and complexity of operations. Types of business continuity exercises include (1) Call Tree, (2) Tabletop and (3) Simulation.

Furthermore, our Crisis Management Framework provides agile response, timely communication with internal and external stakeholders, and recovery & restoration based on the rapidly evolving global threat landscape, which includes climate threats.

8. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?**

There were no significant adverse impacts to the environment arising from the value chain of HCLTech.

9. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

S.No.	No. of value chain partners that were assessed	% of value chain partners (by value of business done with such partners) that were assessed	Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard
1	1,046	The Company does not monitor the percentage of value chain partners by the value of business. However, as part of its Vendor Risk Management Program, the Company take a risk based approach to execute vendor assessment. There were 406 vendors which were noted to be relevant from EHS domain perspective.	57 findings relating to EHS practices were identified. As of 31st March, 2023, 20 findings were addressed with appropriate corrective actions implemented and closed and the rest 37 are being attended to.

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators:

1. a) **Number of affiliations with trade and industry chambers / associations:**

   39

b) **List the top 10 trade and industry chambers / associations (determined based on the total members of such a body) the entity is a member of / affiliated to.**

S. No.	Name of the trade and industry chambers / associations	Reach of trade and industry chambers / associations (State / National)
1	World Economic Forum ("WEF") and WEF Global Parity Alliance	Ever since the Company joined WEF at Davos, it has always made its presence felt on the global platform of Thought Leadership, Innovation and Technological Dialogues towards the Humanitarian and Socio-Economic World Order. Additionally, HCLTech a WEF Global Parity Alliance founding member. Established in collaboration with McKinsey & Company, the Global Parity Alliance seeks to promote diversity, equity & inclusion ("DE&I") best practices that benefit underrepresented groups and are hardwired across business processes – including creating equitable work opportunities, promoting supplier diversity, and launching inclusive products and services. The Global Parity Alliance's vision is to drive better and faster DE&I improvements by sharing what works, raising each other's aspirations, and elevating DE&I actions across organizations beyond the Alliance. https://www.wherewomenwork.com/Career/4315/HCL-WEHCLTechlobal-Parity-Alliance.
2	UN Women	Men hold a disproportionate level of power across cultures globally, but they remain largely absent from the gender equality conversation. Similar to other human rights and social justice movements like Black Lives Matter and LGBTQIA+ equality, gender equality requires action and allyship across all of society. A flagship initiative of UN Women, the United Nations entity for Gender Equality, the HeForShe solidarity movement is an international platform that invites and engages men and boys to complement the work of the women's movement and create an equal world for all.
3	UNGC	HCLTech supports the Ten Principles of the United Nations Global Compact on human rights, labour, environment, and anti-corruption as a Participant Member. We are committed to making the UN Global Compact and its principles part of the strategy, culture and day-to-day operations of our company, and to engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Sustainable Development Goals. HCLTech has made a clear statement of this commitment to our stakeholders and the general public. HCLTech has become first MNC with headquarters in India to become member of the Water Resilience Coalition. We have also endorsed the CEO Water Mandate under the UNGC.
4	NASSCOM	HCLTech has been one of the founding members of National Association of Software Services Companies since 1999 and has extended its vitality towards the apex Chamber of Software Service Companies in India as well as across its Global Trade contours.
5	Other Industry Associations	HCLTech has an active association with most country-specific trade bodies and institutions like CII, FICCI, IGCC, IFCCI, AIMA, CIPL, Women's Executive Forum, Indo-Spanish Chamber of Commerce & Industry, Swiss India Business Hub, Business Sweden, and works very closely with Department of International Trade, Invest India, Sweden Trade and Invest, Invest in Denmark, Australian Trade and Investment Commission (Austrade), Invest in Hessen ("HTAI"), Germany Trade & Invest ("GTAI"), Invest in Bavaria, Invest in Saxony, Invest in Lower Saxony, Invest in Romania, Invest in Spain, British Chambers of Commerce, London & Partners, Portuguese Trade and Investment Agency, Eschborn Economic Development Agency, Frankfurt RheinMain, Netherlands India Chamber of Commerce & Trade, Netherlands Foreign Investment Agency, Invest in Holland, Flanders Investment and Trade, Ireland India Business Association, Industrial Development Agency Ireland, Invest Bulgaria, Business Finland, Singapore Economic Development Board, Indian Embassies across regions where HCLTech has a presence, Swiss-Indo Chamber of Commerce, Invest Stockholm, Institute for Democracy and Economic Affairs Malaysia.
6	Think-tanks	HCLTech is a member of leading think-tanks such as Chatham House, Friends of Europe ("FoE").

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

There were no incidents pertaining to anti-competitive conduct by the Company.

Leadership Indicators:

1. **Details of public policy positions advocated by the entity**

Yes, the Company believes in the public good and rightly so as part of its responsible socio-economic behavior that is carried forward towards various platforms, advocacy channels and forums by way of lending company's ideas, visions expertise and thought leadership. The Company has aligned itself with relevant organizations which work in the larger business / social / environmental and community interests. In addition, the Company also creates and owns innovative pieces of work and solutions. The Company has not taken any specific public policy advocation during the course of this year.

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

Essential Indicators:

1. **Details of Social Impact Assessments ("SIA") of projects undertaken by the entity based on applicable laws, in the current financial year.**

   Not Applicable.

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

   Not Applicable

3. **Describe the mechanisms to receive and redress grievances of the community.**

   The corporate social responsibility agenda for HCLTech is delivered by the HCL Foundation. It deeply upholds the value of accountability and aims to accept, assess, and resolve feedback or complaints received from our community of stakeholders ranging from but not limited to HCL Foundation employees, HCLTech employees, volunteers, third-party employees, consultants associated with our projects, NGO partners, social sector organizations, government authorities, programme participants, community members and others. Any deviation from the law of the land, HCLTech Code of Conduct or HCL Foundation Child Protection Policy by any stakeholder associated with our programmes / projects is taken up seriously for review and redressal via multi-pronged, scientific and transparent channels. HCL Foundation aims to ensure that every stakeholder is provided a safe environment to share their concerns/grievances. High level of confidentiality is maintained in sensitive matters to respect and maintain dignity of the complainant. Redressal on grievances is carried out as per the nature of the grievance, basis guidelines defined in the organization's policies.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2022-23 (%)	FY 2021-22 (%)
Directly sourced from MSMEs / small producers	5.39	5.29
Sourced directly from within the district and neighboring districts	89.02	88.67

Leadership Indicators:

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

   Not Applicable.

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

S.No	State	Aspirational District	Amount Spent (in ₹)
1.	Chhattisgarh	Bastar	10,000,000
2.	Jammu And Kashmir	Baramulla	2,000,000
3.	Jammu And Kashmir	Kupwara	2,000,000
4.	Jharkhand	Ranchi	2,500,000
5.	Madhya Pradesh	Guna	8,000,000
6.	Odisha	Malkangiri	2,500,000

3. (a) **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized / vulnerable groups? (Yes / No)**

   Yes, the Company has a Procurement Policy that supports the development of, and will give special consideration to small, local, and diverse businesses. The definition of "diverse" is often specific to the country, however, it typically will include local minority, gender, veteran, sexual orientation, disability, economically disadvantaged, and other under-represented segments of a population.

(b) From which marginalized /vulnerable groups do you procure?

HCLTech focuses on procuring from marginalized / vulnerable groups, such as, MBE (Minority Business Enterprise), WBE (Women Business Enterprise), VET (Veteran Owned Business), Disabled, LGBTQIA+ and small suppliers. The Company's procedures are also aligned to the local regulatory requirements across the countries where it operates.

(c) What percentage of total procurement (by value) does it constitute?

For combined US, Canada & UK, the spend is ~34% of total procurement spend of these geographies.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Not Applicable.

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Not Applicable.

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	HCL Samuday - Program aims at developing a sustainable, scalable, and replicable model – a source code for economic and social development of rural areas in partnership with central and State Governments, local communities, NGOs, knowledge institutions and allied partners through optimal interventions across Agriculture, Education, Health, Infrastructure, Livelihood, and WASH (Water, Sanitation & Hygiene) in select villages of Hardoi district, Uttar Pradesh.	2.1 million	100%
2.	HCL Uday - A multi-year, ongoing umbrella program, addressing urban poverty in HCL cities, with multiple projects under its ambit, aligned to thematic verticals (Health, Education, WASH, Skills, Environment).	0.89 million	100%
3.	HCL Grant - An ongoing umbrella program covering 3-4 years and 1-year grant-based projects, across India. It is aimed at strengthening and empowering the NGO ecosystem, engage with them, as well as recognize their path-breaking work. HCL Grant is awarded in three thematic categories: Environment, Health and Education. The Grant is designed to support breakthrough award-winning projects to NGOs, that have a proven track record of evident impact, high credibility and distinct ability to deliver.	1.8 million	100%
4.	Clean Noida - Program is aimed at carrying out works and services to implement effective solid waste management in the city of Noida, Uttar Pradesh; towards the larger goal of transforming the city into a litter- and waste-free region, covering all Residential Welfare Associations and urban villages.	0.4 million	In addition to vulnerable and marginalized groups, project also benefits primary stakeholders of waste management, including waste collectors and domestic helps, to enhance their capacity and increase their participation in the decision-making process.
5.	HCL Harit - HCL Harit is a multi-year, ongoing program working with urgency to mitigate the impacts of environmental degradation. The vision is to conserve, restore and enhance indigenous environmental systems and respond to climate change in a sustainable manner through community engagement.	14,371 People through environment education	100%

6.	DRR - DRR includes overall disaster management including disaster preparedness, relief, response, rehabilitation and build-back-better efforts by HCL Foundation anywhere in India. Mitigating impact on humans, nature including animals, wildlife and its habitats, any other aspects basis need and type of disaster/ emergency.	0.36 million	100%

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner.

Essential Indicators:

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

The Company has a dedicated client-cadence management system that enables periodic client cadences and strengthens trust as well as ensures better leadership engagement leading to higher client satisfaction. The Company's multi-layered client feedback framework not only captures the voice of the customer during the relationship lifecycle, but also has a well-oiled post feedback mechanism to address actions and client inputs on various dimensions.

Customer feedback is sought at both project level on a continuous basis and account level on an annual basis. The Company reach out to ~4000 clients across 650+ global Accounts for feedback on its services. The survey is administered by an independent third party. The synopsis is shared with respective entities to ensure continuous improvement.

2. **Turnover of products and / services as a percentage of turnover from all products / service that carry information about:**

- Environmental and social parameters relevant to the product
- Safe and responsible usage
- Recycling and/or safe disposal

The Company offers an integrated portfolio of products, solutions, and services, built around Digital, IoT, Cloud, Automation, Cybersecurity, Analytics, Infrastructure Management, and Engineering Services, amongst others. All its services and products are designed in a manner that integrates environmental and / or social benefits.

3. **Number of consumer complaints in respect of the following:**

Particulars	FY 2022-23		Remarks	FY 2021-22		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil	-	-	Nil	-	-
Advertising	Nil	-	-	Nil	-	-
Cyber-security	Nil	-	-	Nil	-	-
Delivery of essential services	Nil	-	-	Nil	-	-
Restrictive Trade Practices	Nil	-	-	Nil	-	-
Unfair Trade Practices	Nil	-	-	Nil	-	-
Other	Nil	-	-	Nil	-	-

4. **Details of instances of product recalls on account of safety issues:**

Particulars	Number	Reasons for recall
Voluntary recalls	NIL	
Forced recalls		

5. **Does the entity have a framework / policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

Yes. HCLTech has a well-established Information Security Management framework based on ISO 27001:2013. Information Security Management System policies, processes and guidelines are established to ensure confidentiality, integrity, and availability of customer data. These security policies are available to all users and aligned with the strategic direction of the organization. The cybersecurity framework is based on the international National Institute Standards & Technology ("NIST") standards and subject to a variety of internal and external assessments on an on-going basis. HCLTech has a robust governance approach across the 3 lines of defense to continuously mature our cyber security posture including periodic reporting to the executive management and audit committee of the board. HCLTech is certified to ISO / IEC 27001:2013, ISO 22301:2019 and assessed for SOC 1 & SOC 2, Type II at the entity level.

HCLTech's privacy program is designed, implemented and maintained by well-resourced Global Privacy Office which is led by the Chief Privacy Officer and is part of HCL's Risk and Compliance division. HCLTech has designed Privacy program taking into account global privacy regulations that govern the collection, use and handling of personal data and derived privacy principles from EU's General Data Protection Regulation ("GDPR") and Generally Accepted Privacy Principles applicable to HCL either in a Controller or Processor capacity. The program is supported by a privacy compliance framework that is tailored to accommodate HCL's operations, the nature of personal data processed, foreseen privacy and data protection risks, legal, regulatory & contractual obligations, and defined privacy principles. HCL has robust documented procedures approved by Senior Management and is accessible to employees through the company's intranet. HCLTech is also certified for ISO 27701:2019 Privacy Information Management Systems. HCLTech's privacy and data protection related documents (policies, procedures etc.) undergo periodic refresh and at least annually.

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

   HCLTech has a well-defined, approved Information Cyber Security and Privacy Incident Handling Procedure implemented across all projects and departments. Security incidents, including privacy incidents, are reported to the Information CyberSecurity Incident Handling team, analyzed for the root cause, and corrective and preventive action is taken till the issue is closed. Additionally, HCLTech has developed an online tool for logging security and privacy incidents.

Leadership Indicators:

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

   https://www.hcltech.com

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and / or services.**

   Not Applicable.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

   Not Applicable.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes / No / Not Applicable) If yes, provide details in brief.**

   Not Applicable.

5. **Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes / No)**

   Yes.

6. **Provide the following information relating to data breaches:**

   a) **Number of instances of data breaches along-with impact:**

      No material breaches.

   b) **Percentage of data breaches involving personally identifiable information of customers:**

      Nil, as there were no material breaches.

Independent Assurance Statement

The Management and Board of Directors
HCL Technologies Limited
Noida (Uttar Pradesh), India

Scope

We have been engaged by HCL Technologies Limited to perform Independent Limited assurance, as defined by International Standards on Assurance Engagements (ISAE 3000), hereafter referred to as the engagement, to report on HCL Technologies Limited BRSR (Business Responsibility and Sustainability Report) Report (the "Subject Matter") for the period from 1st April 2022 to 31st March 2023.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by HCL Technologies Limited

In preparing the Business Responsibility and Sustainability Report (BRSR) FY 23, HCL Technologies Limited applied Securities and Exchange Board of India (SEBI) BRSR guidelines. As a result, the subject matter information may not be suitable for another purpose.

HCL Technologies Limited Responsibilities

HCL Technologies Limited management is responsible for selecting the Criteria, and for presenting the Business Responsibility and Sustainability Report (BRSR) FY 23 in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records, and making estimates relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

EY's Responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000'). The terms of reference for this engagement as agreed with HCL Technologies Limited. The Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Business Responsibility and Sustainability Report (BRSR) FY 23 and related information and applying analytical and other appropriate procedures.

Our procedures included:

- Conducted interviews with select personnel at corporate teams to understand the process for collecting, collating, and reporting the subject matter as per Standards and Securities and Exchange Board of India (SEBI) BRSR guidelines;
- Checked that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Criteria;
- Undertook analytical review procedures to support the reasonableness of the data through consultations with the site team and sustainability team;
- Review of relevant data, on a selective test basis, for the following units/ locations, through consultations with the site team and sustainability team
- Review of data on a sample basis, at the above-mentioned locations, pertaining to the following disclosures of the BRSR Guidelines:
  - Environmental Topics: Energy (P6.1, P6.9), Water (P6.2), Emissions (P6.4, P6.12), Waste (P6.5);
  - Social Topics: New employee hires and employee turnover (General disclosure), Unions of associations (P3.5), Performance and Career Development Reviews (P3.7), No. of CSR projects in aspirational districts (P8.4), Total beneficiaries of CSR Projects (P8.6)
- Execution of an audit trail of claims and data streams, on a selective test basis, to determine the level of accuracy in the collection, transcription, and aggregation processes followed.
- Review of the Company's plans, policies, and practices, pertaining to their social, environmental, and sustainable development, to be able to make comments on the fairness of and Integrated Reporting;
- Review of the Company's approach towards materiality assessment disclosed in the Report to identify relevant issues;
- Review of select qualitative statements in various sections of the Business Responsibility and Sustainability Report (BRSR) FY 23.

We also performed such other procedures as we considered necessary in the circumstances

Emphasis of matter

The assurance scope excludes:

- Data and information outside the defined reporting period (1st April 2022 to 31st March 2023)
- Data and information on the economic and financial performance of the Company
- Data, statements, and claims already available in the public domain through Annual Report, Integrated Annual Report, or other sources available in the public domain
- The Company's statements that describe the expression of opinion, belief, inference, aspiration, expectation, aim, or future intention provided by the Company
- The Company's compliance with regulations, acts, and guidelines with respect to various regulatory agencies and other legal matters

Our Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Business Responsibility and Sustainability Report (BRSR) FY 23 for the period from 01st April 2022 to 31st March 2023, in order for it to be in accordance with the Standards and Securities and Exchange Board of India (SEBI) BRSR guidelines.

Restricted use: This report is intended solely for the information and use of HCL Technologies Limited and is not intended to be and should not be used by anyone other than HCL Technologies Limited.

For and on behalf of Ernst & Young Associates LLP

Chaitanya Kalia
16 June 2023
Mumbai, India

Standalone Ind AS Financial Statements

INDEPENDENT AUDITORS' REPORT

To the Members of HCL Technologies Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of HCL Technologies Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2023, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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 31 March 2023, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matters

Evaluation of tax positions and litigations See Note 1(h) and 2.27 to standalone financial statements	
The key audit matter	**How the matter was addressed in our audit**
The Company is required to estimate its income tax liabilities in accordance with the tax laws applicable in India. Further, there are matters of interpretation in terms of application of tax laws and related rules to determine current tax provision and deferred taxes. The Company has material tax positions and litigations on a range of tax matters. This requires management to make significant judgments to determine the possible outcome of uncertain tax positions and litigations and their consequent impact on related accounting and disclosures in the standalone financial statements.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • testing the design, implementation and operating effectiveness of the Company's key controls over identifying uncertain tax positions and matters involving litigations/disputes. • obtaining details of tax positions and tax litigations for the year and as at 31 March 2023 and holding discussions with designated management personnel. • assessing and analysing select key correspondences with tax authorities and inspecting external legal opinions obtained by management for key uncertain tax positions and tax litigations. • evaluating underlying evidence and documentation to determine whether the information provides a basis for amounts reserved/not reserved in the books of account. • involving our internal tax specialists and evaluating management's underlying key assumptions in estimating the tax provisions and estimate of the possible outcome of significant tax litigations; and • in respect of tax positions and litigations, assessing the computation of provisions and consequent impact on related accounting and disclosures in the standalone financial statements.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. 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 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) 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 purposes 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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) 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:

(a) The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its standalone financial statements - Refer income tax liabilities disclosed in the balance sheet along with Note 2.27 and Note 2.35 to the standalone financial statements.

(b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

(c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

(d) (i) The management has represented that, to the best of it's knowledge and belief, as disclosed in the Note 2.33 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of it's knowledge and belief, as disclosed in the Note 2.33 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

(e) The interim dividend declared or paid by the Company during the year and until the date of this audit report is in accordance with Section 123 of the Act.

(f) As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.101248W/W-100022

Rakesh Dewan
Partner
Membership No.: 092212
ICAI UDIN.: 23092212BGXLZT4467

Place: Gurugram
Date: 20 April 2023

Annexure A to the Independent Auditor's report on the Standalone Financial Statements of HCL Technologies Limited for the year ended 31 March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 3 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. As informed to us, no discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnerships or any other parties during the year. During the year, the Company has made investments in companies and other parties and has granted unsecured loans in the nature of intercorporate deposits in companies, in respect of which the requisite information is as below. The Company has not made any investments in firms and limited liability partnerships. Further, the Company has not granted any loans, secured or unsecured to firms, limited liability partnerships or any other parties.

(a) (A) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has not granted any loans to subsidiaries.

(B) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has granted loans in the nature of intercorporate deposits to parties other than subsidiaries as below:

Particulars	Amount in INR
Aggregate amount during the year - Others	2,602 crores
Balance outstanding as at balance sheet date - Others	2,602 crores

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the investment made and the terms and conditions of the grant of loans in the nature of intercorporate deposits are, prima facie, not prejudicial to the interest of the company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given in the nature of intercorporate deposits, the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given in the nature of intercorporate deposits. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan in the nature of intercompany deposits falling due during the year, which has been renewed or extended or fresh loans in the nature of intercompany deposits granted to settle the overdues of existing loans given in the nature of intercompany deposits to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of records, the Company has not given any loans, or provided guarantees or securities, as specified under section 185 of the Companies Act, 2013. Further, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in relation to investments made, loans in the nature of intercorporate deposits and guarantees given. The Company has not provided security as specified under section 186 of the Companies Act, 2013.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into Goods and Service Tax ('GST').

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs, Cess or other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in payment of Duty of Customs.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute as at 31st March 2023 are as follows:

Name of the Statue	Nature of the dues	Amount (INR in crores)*	Period to which amount relates Financial Year ('FY')	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	2,041.41	FY 2003-04, 2011-12 to FY 18-19 and FY 20-21	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	358.45	FY 2003-04,FY 2005-06,FY 2006-07 and FY 2008-09 to FY 2010-11	Income Tax Appellate Tribunal-Delhi
Income Tax Act, 1961	Income Tax	14.70	FY 2006-07	Income Tax Appellate Tribunal-Mumbai
Income Tax Act, 1961	Income Tax	1.15	FY 2002-03, 2003-04	High Court of Delhi
Income Tax Act, 1961	Income Tax	1.60	FY 2006-07	High Court of Karnataka
Income Tax Act, 1961	Income Tax	0.62	FY 2008-09	High Court of Allahabad
Income Tax Act, 1961	Income Tax	11.30	FY 2002-03 to FY 2004-05	Hon'ble Supreme Court of India
Central Sales Tax,1956	Sales Tax	0.05	FY 2012-13	Joint Commissioner (Appeals)
Central Sales Tax,1956	Sales Tax	0.27	FY 2014-15	Maharashtra Sales Tax Tribunal
Maharashtra VAT Act, 2002	Value Added Tax	7.94	FY 2012-13	Joint Commissioner (Appeals), Large Tax Payer Unit, Mumbai
Maharashtra VAT Act, 2002	Value Added Tax	0.67	FY 2014-15	Maharashtra Sales Tax Tribunal
Goods and Service Tax Act, 2017	Goods and Service Tax	4.35	1 October 2017 to 1 September 2018	Additional Commissioner (Appeals) of Goods and Service Tax
Goods and Service Tax Act, 2017	Goods and Service Tax	5.35	October 2018 to December 2019	Additional Commissioner (Appeals) of Goods and Service Tax
Customs Act, 1962	Duty to Customs	0.27	FY 2006-07	Common Adjudicating Authority (Directorate of Revenue Intelligence)
Customs Act, 1962	Duty to Customs	2.21	FY 1997-98 to FY 1999-00	Office of Assistant Commissioner of Customs
Customs Act, 1962	Duty to Customs	0.59	FY 2007-08, FY 2009-10 to FY 2013-14	Customs, Excise, Service Tax Appellant Tribunal, Maharashtra
Finance Act 1994, read with Service Tax Rules,1994	Service Tax	0.79	FY 2006-07	High Court of Allahabad
Finance Act 1994, read with Service Tax Rules, 1994	Service Tax	0.63	FY 2006-07	Commissioner, Central Goods and Services Tax
Finance Act 1994, read with Service Tax Rules, 1994	Service Tax	23.56	FY 2006-07 to FY 2011-12, FY 2009-10	Customs, Excise, Service Tax Appellant Tribunal, Allahabad
Finance Act 1994, read with Service Tax Rules, 1994	Service Tax	0.63	FY 2011-12	Customs, Excise, Service Tax Appellant Tribunal, Chennai
Finance Act 1994, read with Service Tax Rules, 1994	Service Tax	0.37	FY 2013-14	Customs, Excise, Service Tax Appellant Tribunal
Finance Act 1994, read with Service tax rules ,1994	Service Tax	1.36	FY 2013-14	Commissioner (Appeals), Central Goods & Services Tax
Finance Act 1994, read with Service tax rules ,1994	Service Tax	1.18	FY 2007-10	High Court of Allahabad
Finance Act 1994, read with Service tax rules ,1994	Service Tax	15.56	April 2012 to September 2012	Customs, Excise, Service Tax Appellant Tribunal, Allahabad
Finance Act 1994, read with Service tax rules ,1994	Service Tax	2.06	April 2011 to March 2015	Customs, Excise, Service Tax Appellant Tribunal, Allahabad
Finance Act 1994, read with Service tax rules ,1994	Service Tax	1.53	October 2011 to September 2012	Additional Commissioner, Central Goods and Services Tax.
Finance Act 1994, read with Service tax rules ,1994	Service Tax	6.27	FY 2014-15 and 2016-17	Customs, Excise, Service Tax Appellant Tribunal

*Total amount deposited under protest / adjusted against refunds in respect of Income tax is INR 233.9 crores and guarantee given under protest is INR 1,035 crores.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to banks during the year. Further, the Company did not have any outstanding loans or borrowings from financial institutions or any other lender during the year.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and associates as defined under the Act. The Company does not hold any investment in any joint venture (as defined under the Act) during the year ended 31 March 2023.

(f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate company (as defined under Companies Act, 2013). The Company does not hold any investment in any joint venture (as defined under the Act) during the year ended 31 March 2023.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to information and explanation given to us during the course of audit, the group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.101248W/W-100022

Rakesh Dewan
Partner
Membership No.: 092212
ICAI UDIN.: 23092212BGXLZT4467

Place: Gurugram
Date: 20 April 2023

Annexure B to the Independent Auditor's Report on the standalone financial statements of HCL Technologies Limited for the year ended 31 March 2023

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of HCL Technologies Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 standalone 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 Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include 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 standalone 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 standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.101248W/W-100022

Rakesh Dewan
Partner
Membership No.: 092212
ICAI UDIN.: 23092212BGXLZT4467

Place: Gurugram
Date: 20 April 2023

Standalone Balance Sheet

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

		Note No.	As at	
			31 March 2023	31 March 2022
I	**ASSETS**			
	(1) Non-current assets			
	(a) Property, plant and equipment	2.1	3,727	3,894
	(b) Capital work in progress	2.2	21	79
	(c) Right-of-use assets	2.30(a)	824	875
	(d) Goodwill	2.3	6,549	6,550
	(e) Other intangible assets	2.4	6,835	8,205
	(f) Financial assets			
	(i) Investments	2.5	5,057	5,057
	(ii) Trade receivables - unbilled	2.6 (a)	82	57
	(iii) Loans	2.7	-	200
	(iv) Others	2.8	875	502
	(g) Deferred tax assets (net)	2.27	543	736
	(h) Other non-current assets	2.10	276	381
	Total non-current assets		**24,789**	**26,536**
	(2) Current assets			
	(a) Inventories	2.9	35	23
	(b) Financial assets			
	(i) Investments	2.5	5,102	6,039
	(ii) Trade receivables			
	Billed	2.6 (b)	5,317	4,604
	Unbilled	2.6 (b)	7,596	6,543
	(iii) Cash and cash equivalents	2.11(a)	2,374	2,907
	(iv) Other bank balances	2.11(b)	3,857	1,942
	(v) Loans	2.7	2,602	3,008
	(vi) Others	2.8	603	726
	(c) Current tax assets (net)		6	1
	(d) Other current assets	2.12	1,079	1,094
	Total current assets		**28,571**	**26,887**
	TOTAL ASSETS		**53,360**	**53,423**
II	**EQUITY**			
	(a) Equity share capital	2.13	543	543
	(b) Other equity		40,561	42,048
	TOTAL EQUITY		**41,104**	**42,591**

Standalone Balance Sheet

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

		Note No.	As at	
			31 March 2023	31 March 2022
III	**LIABILITIES**			
	(1) Non - current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	2.14	51	164
	(ii) Lease liabilities	2.30(a)	436	491
	(iii) Others	2.16	29	25
	(b) Contract liabilities	2.17	154	119
	(c) Provisions	2.18	879	958
	(d) Other non-current liabilities	2.19	40	32
	Total non-current liabilities		**1,589**	**1,789**
	(2) Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	2.14	140	62
	(ii) Lease liabilities	2.30(a)	172	163
	(iii) Trade payables	2.15		
	Billed			
	1. Dues of micro enterprises and small enterprises		23	11
	2. Dues of creditors other than micro enterprises and small enterprises		1,221	874
	Unbilled and accruals		1,539	1,328
	(iv) Others	2.16	1,867	1,898
	(b) Contract liabilities	2.17	3,708	3,254
	(c) Other current liabilities	2.20	392	308
	(d) Provisions	2.18	283	240
	(e) Current tax liabilities (net)		1,322	905
	Total current liabilities		**10,667**	**9,043**
	TOTAL LIABILITIES		**12,256**	**10,832**
	TOTAL EQUITY AND LIABILITIES		**53,360**	**53,423**
Summary of significant accounting policies		1		

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. : 101248W/W-100022

For and on behalf of the Board of Directors of HCL Technologies Limited

Rakesh Dewan
Partner
Membership Number: 092212

Roshni Nadar Malhotra
Chairperson
DIN - 02346621

C. Vijayakumar
Chief Executive Officer
and Managing Director
DIN - 09244485

S. Madhavan
Director
DIN - 06451889

Prateek Aggarwal
Chief Financial Officer

Goutam Rungta
Corporate Vice President - Finance

Manish Anand
Company Secretary

Gurugram, India
20 April 2023

Noida (UP), India
20 April 2023

Standalone Statement of Profit and Loss

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

		Note No.	Year ended	
			31 March 2023	31 March 2022
I	**Revenue**			
	Revenue from operations	2.21	46,276	40,638
	Other income	2.22	1,031	880
	Total income		**47,307**	**41,518**
II	**Expenses**			
	Purchase of stock-in-trade		168	155
	Changes in inventories of stock-in-trade	2.23	(12)	(5)
	Employee benefits expense	2.24	19,799	15,872
	Outsourcing costs		7,291	7,277
	Finance costs	2.25	127	109
	Depreciation and amortization expense		2,431	2,615
	Other expenses	2.26	2,787	2,227
	Total expenses		**32,591**	**28,250**
III	**Profit before tax**		**14,716**	**13,268**
IV	**Tax expense**	2.27		
	Current tax		3,045	2,464
	Deferred tax charge (credit)		212	(70)
	Total tax expense		**3,257**	**2,394**
V	**Profit for the year**		**11,459**	**10,874**
VI	**Other comprehensive income(loss)**	2.28		
(A)	(i) Items that will not be reclassified to statement of profit and loss		175	36
	(ii) Income tax relating to items that will not be reclassified to statement of profit and loss		(63)	(13)
(B)	(i) Items that will be reclassified to statement of profit and loss		(453)	243
	(ii) Income tax relating to items that will be reclassified to statement of profit and loss		82	11
	Total other comprehensive income(loss), net of tax		**(259)**	**277**
VII	**Total comprehensive income for the year**		**11,200**	**11,151**
	Earnings per equity share of ₹ 2 each	2.29		
	Basic (in ₹)		42.32	40.10
	Diluted (in ₹)		42.27	40.09
Summary of significant accounting policies		1		

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. : 101248W/W-100022

For and on behalf of the Board of Directors of HCL Technologies Limited

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Corporate Vice President - Finance

Manish Anand
Company Secretary

Gurugram, India
20 April 2023

Noida (UP), India
20 April 2023

Standalone Statement of Changes in Equity

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

	Equity share capital		Other equity													
			Reserves and Surplus								Other comprehensive income					
	Number of Shares*	Share capital	Retained earnings	Remeasurement of defined benefit plans	Treasury share reserve	Securities premium	Capital reserve	Capital redemption reserve	Common control transaction capital reserve	Share based payment reserve	Special economic zone re-investment reserve	Foreign currency translation reserve	Cash flow hedging reserve	Debt instruments through other comprehensive income	Total other equity	Total Equity
Balance as at 1 April 2021	2,713,665,096	543	40,928	12	-	7	120	14	14	-	1,695	15	183	22	43,010	43,553
Profit for the year	-	-	10,874	-	-	-	-	-	-	-	-	-	-	-	10,874	10,874
Other comprehensive income (refer note 2.28)	-	-	-	23	-	-	-	-	-	-	-	(11)	283	(18)	277	277
Total comprehensive income for the year	**-**	**-**	**10,874**	**23**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(11)**	**283**	**(18)**	**11,151**	**11,151**
Transactions with owners of the Company																
Contributions and distributions																
Interim dividend of ₹ 42 per share	-	-	(11,391)	-	-	-	-	-	-	-	-	-	-	-	(11,391)	(11,391)
Transfer to special economic zone re-investment reserve	-	-	(2,021)	-	-	-	-	-	-	-	2,021	-	-	-	-	-
Transfer from special economic zone re-investment reserve	-	-	922	-	-	-	-	-	-	-	(922)	-	-	-	-	-
Acquisition of treasury shares	-	-	-	-	(804)	-	-	-	-	-	-	-	-	-	(804)	(804)
Share based payments to employees	-	-	-	-	-	-	-	-	-	82	-	-	-	-	82	82
Balance as at 31 March 2022	**2,713,665,096**	**543**	**39,312**	**35**	**(804)**	**7**	**120**	**14**	**14**	**82**	**2,794**	**4**	**466**	**4**	**42,048**	**42,591**
Balance as at 1 April 2022	2,713,665,096	543	39,312	35	(804)	7	120	14	14	82	2,794	4	466	4	42,048	42,591
Profit for the year	-	-	11,459	-	-	-	-	-	-	-	-	-	-	-	11,459	11,459
Other comprehensive income (refer note 2.28)	-	-	-	112	-	-	-	-	-	-	-	21	(387)	(5)	(259)	(259)
Total comprehensive income for the year	**-**	**-**	**11,459**	**112**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**21**	**(387)**	**(5)**	**11,200**	**11,200**
Transactions with owners of the Company																
Contributions and distributions																
Interim dividend of ₹ 48 per share	-	-	(12,995)	-	-	-	-	-	-	-	-	-	-	-	(12,995)	(12,995)
Transfer to special economic zone re-investment reserve	-	-	(1,864)	-	-	-	-	-	-	-	1,864	-	-	-	-	-
Transfer from special economic zone re-investment reserve	-	-	579	-	-	-	-	-	-	-	(579)	-	-	-	-	-
Share based payments to employees	-	-	-	-	-	-	-	-	-	308	-	-	-	-	308	308
Issue of treasury shares to employees	-	-	(1)	-	3	-	-	-	-	(2)	-	-	-	-	-	-
Balance as at 31 March 2023	**2,713,665,096**	**543**	**36,490**	**147**	**(801)**	**7**	**120**	**14**	**14**	**388**	**4,079**	**25**	**79**	**(1)**	**40,561**	**41,104**

* Includes treasury shares held by the controlled trust (refer note 2.13)

Refer note 1 for summary of significant accounting policies

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. : 101248W/W-100022

Rakesh Dewan
Partner
Membership Number: 092212

Gurugram, India
20 April 2023

For and on behalf of the Board of Directors of HCL Technologies Limited

Roshni Nadar Malhotra
Chairperson
DIN - 02346621

C. Vijayakumar
Chief Executive Officer and Managing Director
DIN - 09244485

S. Madhavan
Director
DIN - 06451889

Prateek Aggarwal
Chief Financial Officer

Goutam Rungta
Corporate Vice President - Finance

Manish Anand
Company Secretary

Noida (UP), India
20 April 2023

Standalone Statement of Cash flows

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

		Year ended	
		31 March 2023	**31 March 2022**
A	**Cash flows from operating activities**		
	Profit before tax	14,716	13,268
	Adjustment for:		
	Depreciation and amortization expense	2,431	2,615
	Interest income	(558)	(492)
	Dividend income from subsidiaries	(84)	(84)
	Provision for doubtful debts / bad debts written off (net)	18	4
	Income on investments carried at fair value through profit and loss	(98)	(88)
	Profit on sale of debt securities	-	(10)
	Interest expense	105	97
	Profit on sale of property, plant and equipment (net)	(165)	(21)
	Share based payments to employees	62	17
	Other non cash charges (net)	(8)	10
		16,419	**15,316**
	Net change in		
	Trade receivables	(1,693)	(1,414)
	Inventories	(12)	16
	Other financial assets and other assets	185	(262)
	Trade payables	389	(2,319)
	Other financial liabilities, contract liabilities, provisions and other liabilities	782	1,536
	Cash generated from operations	**16,070**	**12,873**
	Income taxes paid (net of refunds)	(2,532)	(2,282)
	Net cash flow from operating activities (A)	**13,538**	**10,591**
B	**Cash flows from investing activities**		
	Purchase of property, plant and equipment and intangibles	(806)	(780)
	Proceeds from sale of property, plant and equipment	213	33
	Investments in bank deposits	(4,278)	(2,162)
	Proceeds from bank deposits on maturity	1,985	2,399
	Deposits placed with body corporates	(2,602)	(5,478)
	Proceeds from maturity of deposits placed with body corporates	3,208	7,111
	Purchase of investments in securities	(34,013)	(32,048)
	Proceeds from sale/maturity of investments in securities	35,098	32,685
	Investment in the subsidiaries	-	(16)
	Dividend received from subsidiaries	84	84
	Interest received	454	504
	Income taxes paid	(141)	(100)
	Net cash flow from (used in) investing activities (B)	**(798)**	**2,232**
C	**Cash flows from financing activities**		
	Proceeds from long term borrowings	36	25
	Repayment of long term borrowings	(70)	(24)
	Proceeds from short term borrowings	72	52
	Repayment of short term borrowings	(72)	(52)
	Payments for deferred consideration on business acquisitions	-	(371)
	Acquisition of treasury shares	-	(804)
	Dividend paid	(12,995)	(11,389)
	Interest paid	(17)	(5)
	Payment of lease liabilities including interest	(221)	(207)
	Net cash flow used in financing activities (C)	**(13,267)**	**(12,775)**
	Net increase(decrease) in cash and cash equivalents (A+B+C)	(527)	48
	Effect of exchange differences on cash and cash equivalents held in foreign currency	(6)	(17)
	Cash and cash equivalents at the beginning of the year	2,907	2,876
	Cash and cash equivalents at the end of the year as per note 2.11 (a)	**2,374**	**2,907**

Standalone Statement of Cash flows

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

Notes:

1. The total amount of income taxes paid is ₹ 2,673 crores (previous year, ₹ 2,382 crores).
2. Cash and cash equivalents includes investor education and protection fund-unclaimed dividend of ₹ 8 crores (previous year, ₹ 8 crores).
3. Refer note 2.39 for amount spent during the years ended 31 March 2023 and 2022 on construction / acquisition of any asset and other purposes relating to CSR.

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date attached

For B S R & Co. LLP **Chartered Accountants** Firm's Registration No. : 101248W/W-100022	**For and on behalf of the Board of Directors of HCL Technologies Limited**		
Rakesh Dewan **Partner** Membership Number: 092212	**Roshni Nadar Malhotra** Chairperson DIN - 02346621	**C. Vijayakumar** Chief Executive Officer and Managing Director DIN - 09244485	**S. Madhavan** Director DIN - 06451889
	Prateek Aggarwal Chief Financial Officer	**Goutam Rungta** Corporate Vice President - Finance	**Manish Anand** Company Secretary
Gurugram, India 20 April 2023	Noida (UP), India 20 April 2023		

ORGANIZATION AND NATURE OF OPERATIONS

HCL Technologies Limited (hereinafter referred to as "the Company") is primarily engaged in providing a range of IT and business services, engineering and R&D services and modernized software products and IP-led offerings. 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 global technology workforce and intellectual properties to deliver solutions across following verticals -Financial Services, Manufacturing, Life Sciences & Healthcare, Public Services, Retail & CPG, Technology & Services and Telecom, Media, Publishing and Entertainment.

The standalone financial statements for the year ended 31 March 2023 were approved and authorized for issue by the Board of Directors on 20 April 2023.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

These standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time and presentation requirements of Schedule III (Division II) to the Companies Act, 2013, as applicable to the standalone financial statements.

These standalone 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),

(c) Defined benefit plans.

The accounting policies adopted in the preparation of these standalone financial statements are consistent with those of the previous year except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy.

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle of 12 months. The statement of cash flows has been prepared under indirect method.

The Company uses the Indian rupee ('₹') as its reporting currency. All amounts are presented in crores of ₹ rounded to whole number and amounts less than ₹ 0.50 crores are presented as "-".

(b) Use of estimates and judgements

The preparation of standalone financial statements in conformity with Ind AS requires the management to make estimates and judgements 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. Actual results could differ from those estimates. Changes in estimates are reflected in the standalone financial statements in the year in which the changes are made.

Significant estimates and assumptions are used for, but not limited to,

(i) Accounting for costs expected to be incurred to complete performance under fixed price projects and determination of stand-alone selling prices for each distinct performance obligation in contracts involving multiple performance obligations, refer note 1(f).

(ii) Allowance for uncollectible trade receivables, refer note 1(s)(i).

(iii) Fair value of the consideration transferred (including contingent consideration) and fair value of the assets acquired and liabilities assumed, measured on a provisional basis in case of business combination, refer note 1(c).

(iv) Recognition of income and deferred taxes, refer note 1(h) and note 2.27.

(v) Key actuarial assumptions for measurement of future obligations under employee benefit plans, refer note 1(q) and note 2.32.

(vi) Estimated forfeitures in share-based compensation expenses, refer note 1(r).

(vii) Useful lives of property, plant and equipment, refer note 1(i).

(viii) Lives of intangible assets, refer note 1(j).

(ix) Identification of leases and measurement of lease liabilities and right of use assets, refer note 1(m).

(x) Key assumptions used for impairment of goodwill, refer note 1(o) and note 2.3.

(xi) Provisions and contingent liabilities, refer note 1(p) and note 2.35.

(c) Business combinations and goodwill

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 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 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 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. 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 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 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 at fair value are 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. These 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 and material

Revenue is recognized when, or as, control of a promised service or good transfers to a customer, in an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring those products or services. To recognize revenues, the following five step approach is applied: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenues when a performance obligation is satisfied. A contract is accounted when it is legally enforceable through executory contracts, approval and commitment from all parties, the rights of the parties are identified, payment terms are defined, the contract has commercial substance and collectability of consideration is probable.

Time-and-material / Volume based / Transaction based contracts

Revenue with respect to time-and-material, volume based and transaction based contracts is recognized as the related services are performed through efforts expended, volume serviced transactions are processed etc. that correspond with value transferred to customer till date which is related to the right to invoice for services performed.

Fixed Price contracts

Revenue related to fixed price contracts where performance obligations and control are satisfied over a period of time like technology integration, complex network building contracts, system implementations and application development are recognized based on progress towards completion of the performance obligation using a cost-to-cost measure of progress (i.e., percentage-of-completion (POC) method of accounting). Revenue is recognized based on the costs incurred to date as a percentage of the total estimated costs to fulfill the contract. Any revision in cost to complete would result in increase or decrease in revenue and such changes are recorded in the period in which they are identified.

Revenue related to other fixed price contracts providing maintenance and support services, are recognized based on the right to invoice for services performed for contracts in which the invoicing is representative of the value being delivered. If invoicing is not consistent with value delivered, revenues are recognized as the service is performed based on the cost to cost method described above.

In arrangements involving sharing of customer revenues, revenue is recognized when the right to receive is established.

Revenue from product sales are shown net of applicable taxes, 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 continues to be in inventory.

Proprietary Software Products

Revenue from distinct proprietary perpetual and term license software is recognized at a point in time at the inception of the arrangement when control transfers to the client. Revenue from proprietary term license software is recognized at a point in time for the committed term of the contract. In case of renewals of proprietary term licenses with existing customers, revenue from term license is recognized at a point in time when the renewal is agreed on signing of contracts. Revenue from support and subscription (S&S) is recognized over the contract term on a straight-line basis as the Company is providing a service of standing ready to provide support, when-and-if needed, and is providing unspecified software upgrades on a when-and-if available basis over the contract term. In case software are bundled with support and subscription either for perpetual or term based license, such support and subscription contracts are generally priced as a percentage of the net fees paid by the customer to purchase the license and are generally recognized as revenues ratably over the contractual period that the support services are provided. Revenue from these proprietary software products is classified under sale of services.

Multiple performance obligation

When a sales arrangement contains multiple performance obligation, such as services, hardware and licensed IPs (software) or combinations of each of them revenue for each element is based on a five step approach as defined above. To the extent a contract includes multiple promised deliverables, judgment is applied to determine whether promised deliverables are capable of being distinct and are distinct in the context of the contract. If these criteria are not met, the promised deliverables are accounted for as a combined performance obligation. For arrangements with multiple distinct performance obligations or series of distinct performance obligations, consideration is allocated among the performance obligations based on their relative standalone selling price. Standalone selling price is the price at which Company would sell a promised good or service separately to the customer. When not directly observable, we estimate standalone selling price by using the expected cost plus a margin approach. We establish a standalone selling price range for our deliverables, which is reassessed on a periodic basis or when facts and circumstances change. If the arrangement contains obligations related to License of Intellectual property (Software) or Lease deliverable, the arrangement consideration allocated to the Software deliverables, lease deliverable as a group is then allocated to each software obligation and lease deliverable.

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 certain activities in transition services in outsourcing arrangements are not capable of being distinct or represent separate performance obligation. Revenues relating to such transition activities are classified as Contract liabilities and subsequently recognized over the period of the arrangement. Direct and incremental costs in relation to such transition activities which are expected to be recoverable under the contract and generate or enhance resources of the Company that will be used in satisfying the performance obligation in the future are considered as contract fulfillment costs classified as Deferred contract cost and recognized over the period of arrangement. Certain upfront non-recurring incremental contract acquisition costs and other upfront fee paid to customer are deferred and classified as Deferred contract cost and amortized to revenue or cost, 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 future 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 being company controls the goods or service before it is transferred to customer, latitude in deciding the price being charged to customer. Revenue is recognized net of discounts and allowances, value-added and service taxes, and includes reimbursement of out-of-pocket expenses, with the corresponding out-of-pocket expenses included in cost of revenues.

Volume discounts, or any other form of variable consideration is estimated using either the sum of probability weighted amounts in a range of possible consideration amounts (expected value), or the single most likely amount in a range of possible consideration amounts (most likely amount), depending on which method better predicts the amount of consideration realizable. Transaction price includes variable consideration only to the extent it is probable that a significant reversal of revenues recognized will not occur when the uncertainty associated with the variable consideration is resolved. Our estimates of variable consideration and determination of whether to include estimated amounts in the transaction price may involve judgment and are based largely on an assessment of our anticipated performance and all information that is reasonably available to us.

The Company recognizes an onerous contract provision when the expected unavoidable costs of meeting the future obligations exceed the expected economic benefits to be received under a contract. Such provision, if any, is recorded in the period in which such losses become probable and is included in cost of revenues.

Revenue recognized but not billed to customers is classified either as contract assets or unbilled receivables in the standalone balance sheet. Contract assets primarily relate to unbilled amounts on those contracts utilizing the cost to cost method of revenue recognition and right to consideration is not unconditional. Contract assets are recognized where there is excess of revenue over the billings. Unbilled receivables represent contracts where right to consideration is unconditional (i.e. only the passage of time is required before the payment is due). A contract liability arises when there is excess billing over the revenue recognized.

Revenue from sales-type 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.

Interest attributable to sales-type leases and direct financing leases included therein is recognized on an accrual basis using the effective interest method and is recognized as other income.

(g) Other income

Other income mainly comprises interest income on debt securities, bank and other deposits, other interest income recognized using the effective interest method, profit on sale of property, plant and equipments, debt securities and mutual fund and exchange differences. Dividend income is recognized when the right to receive payment is established.

(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.

Deferred income tax assets and liabilities recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets and liabilities are recognized for those temporary differences which originate during the tax holiday period and 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 branches where it is expected that the earnings of the 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.

(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 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.

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 and networking equipment	4-5
Furniture and fixtures	7
Vehicles	5

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 measured at their fair value at the date of acquisition. Subsequently, following initial recognition, intangible assets are carried at cost less any accumulated amortization and 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 8
Customer contracts	1 to 3
Technology	1 to 8
Others (Includes intellectual property rights and non-compete agreements)	4 to 6

(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 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

Subsequently, 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 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.

(m) Leases

A lease is a contract that contains right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

Company is lessee in case of leasehold land, office space, accommodation for its employees & IT equipment. These leases are evaluated to determine whether it contains lease based on principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors as defined in Ind AS 116.

Right-of-use asset represents the Company's right to control the underlying assets under lease and the lease liability is the obligation to make the lease payments related to the underlying asset under lease. Right-of-use asset is measured initially based on the lease liability adjusted for any initial direct costs, prepaid rent, and lease incentives. Right-of-use asset is depreciated based on straight line method over the lease term or useful life of right-of-use asset, whichever is less. Subsequently, right-of-use asset is measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of lease liability.

The lease liability is measured at the lease commencement date and determined using the present value of the minimum lease payments not yet paid and the Company's incremental borrowing rate, which approximates the rate at which the Company would borrow, in the country where the lease was executed. The Company has used a single discount rate for a portfolio of leases with reasonably similar characteristics. The lease payment comprises fixed payment less any lease incentives, variable lease payment that depends on an index or a rate, exercise price of a purchase option if the Company is reasonably certain to exercise the option and payment of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate the lease. Lease liability is subsequently measured by increase the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payment made and remeasuring the carrying amount to reflect any reassessment or modification, if any.

The Company has elected to not recognize leases with a lease term of 12 months or less in the balance sheet, including those acquired in a business combination, and lease costs for those short-term leases are recognized on a straight-line basis over the lease term in the statement of profit and loss. For all asset classes, the Company has elected the lessee practical expedient to combine lease and non-lease components and account for the combined unit as a single lease component in case there is no separate payment defined under the contract.

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 or contingency is resolved.

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 receivables at an amount equal to the present value of lease receivables. 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.

When arrangements include multiple performance obligations, the Company allocates the consideration in the contract between the lease components and the non-lease components on a relative standalone selling price basis.

(n) Inventories

Stock-in-trade, stores and spares are valued at the lower of the cost or net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. 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 annually on March 31, for impairment, or sooner 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 recognized under the head "Depreciation and amortization expense" 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 and contingent liabilities

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.

The Company uses significant judgement to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognized nor disclosed in the financial statements.

(q) 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, a define contribution plan. 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, equity 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 appointed fund managers 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 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 ₹ 20 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 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) Contributions to other defined contribution plans in branches outside India are recognized as expense when employees have rendered services entitling them to such benefits.

(r) Equity settled share based compensation

Share-based compensation represents the cost related to share-based awards granted to employees. The Company measures share-based compensation cost at grant date, based on the estimated fair value of the award and recognizes the cost on a straight line basis (net of estimated forfeitures) over the employee's requisite service period for an award with only service condition and for an award with both service and performance condition 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. On modification of an equity settled award, the Company re-estimates the fair value of stock option as on the date of modification and any incremental expense is expensed over the period from the modification date till the vesting date.

The Company estimates the fair value of stock options using option pricing model. The cost is recorded under the head employee benefit expense in the consolidated statement of profit or 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. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Cash and cash equivalents
Cash and cash equivalents in the balance sheet comprise cash in banks and short-term deposits and investments with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purposes of the cash flow statement, cash and cash equivalents are considered net of outstanding bank overdrafts that are repayable on demand and are considered part of the Company’s cash management system. In the standalone balance sheet, bank overdrafts are presented under borrowings within current liabilities.

Financial assets at amortized cost
A financial asset 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 receivables, trade and other receivables.

Financial assets at Fair Value through Other Comprehensive Income (OCI)
A financial asset 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 asset 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. Interest income is recognized in statement of profit and loss for debt instruments. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from OCI to statement of profit and loss.

Financial assets at Fair Value through Profit and Loss
Any financial asset, 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 assets 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 in subsidiaries are measured at cost less impairment if any.

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 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 subsequent measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss
Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. Changes in fair value of such liability are recognized in the statement of profit or loss.

Financial liabilities at amortized cost
The Company's financial liabilities at amortized cost are initially recognized at net of transaction costs and includes 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 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 forecasted transactions which meet the hedging criteria are designated as cash flow hedges. Changes in the fair value of derivatives (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 other income 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. The Company determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flow.

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.

(t) 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. Final and interim dividend excludes dividend on treasury shares.

(u) 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 adjusted for treasury shares held.

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). Performance based stock unit awards are included in dilutive potential shares when they become contingently issuable and have a dilutive impact and are excluded when they are not contingently issuable. 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.

The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for bonus shares.

(v) Nature and purpose of reserves

Remeasurement of defined benefit plans
The Company recognizes actuarial gains/losses on defined benefit plans in the balance sheet with a corresponding debit or credit to other comprehensive income in the period in which they occur.

Treasury share reserve
The Company's equity shares held by a trust, which is consolidated as a part of the Company, are classified as Treasury shares. Treasury shares are carried at acquisition cost and presented as a deduction from total equity as "Treasury share reserve". As and when treasury shares are transferred to employees on exercise after satisfaction of the vesting conditions, the balance lying in "Treasury share reserve" is transferred to "Retained earnings".

Securities premium
Securities premium is used to record the premium on issue of shares. The reserve can be utilized only for limited purposes such as issuance of bonus shares and buyback of shares in accordance with the provisions of the Companies Act, 2013 in India.

Capital redemption reserve
The Company recognizes cancellation of the Company's own equity instruments to capital redemption reserve.

Share based payment reserve
The share-based payment reserve is recognised over the vesting period at the grant date fair value of units issued to employees of the Company and its subsidiaries under the Company's restricted stock unit plan.

Special economic zone re-investment reserve
The Company has created special economic zone (SEZ) re-investment reserve out of profits of the eligible SEZ Units in terms of the specific provisions of Section 10AA(1) of the Income Tax Act, 1961 ("the Act"). The said reserve needs to be utilized by the Company for acquiring plant and machinery for the purposes of its business in the terms of Section 10AA (2) of the Act for availing tax benefit. Further, during the year ended 31 March 2022, utilization also includes additional acquisition of plant and machinery in the business of the Company which was not considered as utilization earlier due to an uncertain tax position which has been settled.

Foreign currency translation reserve
Exchange differences arising on translation of the foreign operations are recognized in other comprehensive income as described in the accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

Cash flow hedging reserve
For hedging foreign currency risk, the Company uses foreign currency forward and option contracts. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognized in the cash flow hedging reserve. Amounts recognized in the cash flow hedging reserve is reclassified to the statement of profit or loss when the hedged item affects profit or loss.

Debt instruments through other comprehensive income
The Company recognizes changes in the fair value of debt instruments held with business objective of collect and sell in other comprehensive income. The Company transfers amounts from this reserve to the statement of profit and loss when the debt instrument is sold.

Common control transaction capital reserve
The Company has created Common Control Transaction Capital Reserve in accordance with the guidance under Appendix C of IND AS 103 "Business Combinations". This reserve is not freely available for distribution.

Capital reserve
Capital Reserve is not freely available for distribution.

(w) Adoption of new accounting principles

Onerous contracts – cost of fulfilling a contract (amendment to Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets)

The amendment clarified that the 'costs of fulfilling a contract' comprise both the incremental costs and allocation of other direct costs. The Company has adopted this amendment effective 1 April 2022 and the adoption did not have any material impact on its financial statements.

(x) Recently issued accounting pronouncements

On 31 March 2023, the Ministry of Corporate Affairs (MCA), notified Companies (Indian Accounting Standards) Amendment Rules, 2023 effective from 1 April 2023. Following is key amended provision which may have an impact on the financial statements of the Company:

Disclosure of accounting policies (amendments to Ind AS 1 - Presentation of Financial Statements)
The amendments intend to assist in deciding which accounting policies to disclose in the financial statements. The amendments to Ind AS 1 require entities to disclose their material accounting policies rather than their significant accounting policies. The amendments provide guidance on how to apply the concept of materiality to accounting policy disclosures. The Company does not expect this amendment to have any significant impact in its financial statements.

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

Definition of accounting estimate (amendments to Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors)
The amendments distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

Deferred tax related to assets and liabilities arising from a single transaction (amendments to Ind AS 12 – Income taxes)
The amendments specify how to account for deferred tax on transactions such as leases. The amendments clarify that lease transactions give rise to equal and offsetting temporary differences and financial statements should reflect the future tax impacts of these transactions through recognizing deferred tax. The Company is evaluating the impact, if any, in its financial statements.

2. Notes to financial statements

2.1 Property, plant and equipment

The changes in the carrying value for the year ended 31 March 2023

	Freehold land	Buildings	Plant and equipment	Office equipment	Computers and networking equipment	Furniture and fixtures	Vehicles #	Total
Gross block as at 1 April 2022	**56**	**3,360**	**1,481**	**287**	**2,386**	**454**	**139**	**8,163**
Additions	24	73	37	11	458	13	55	**671**
Disposals	18	60	59	20	38	40	39	**274**
Translation exchange differences	-	-	-	-	2	-	-	**2**
Gross block as at 31 March 2023	**62**	**3,373**	**1,459**	**278**	**2,808**	**427**	**155**	**8,562**
Accumulated depreciation as at 1 April 2022	**-**	**1,227**	**1,049**	**224**	**1,328**	**376**	**65**	**4,269**
Depreciation	-	167	105	25	445	21	28	**791**
Disposals/other adjustments	-	51	57	18	34	38	27	**225**
Accumulated depreciation as at 31 March 2023	**-**	**1,343**	**1,097**	**231**	**1,739**	**359**	**66**	**4,835**
Net block as at 31 March 2023	**62**	**2,030**	**362**	**47**	**1,069**	**68**	**89**	**3,727**

Also refer footnote 1 of note 2.14

The changes in the carrying value for the year ended 31 March 2022

	Freehold land	Buildings	Plant and equipment	Office equipment	Computers and networking equipment	Furniture and fixtures	Vehicles #	Total
Gross block as at 1 April 2021	**57**	**3,155**	**1,433**	**279**	**1,791**	**487**	**141**	**7,343**
Additions	-	208	70	26	649	14	38	**1,005**
Disposals	1	3	22	18	56	47	40	**187**
Translation exchange differences	-	-	-	-	2	-	-	**2**
Gross block as at 31 March 2022	**56**	**3,360**	**1,481**	**287**	**2,386**	**454**	**139**	**8,163**
Accumulated depreciation as at 1 April 2021	**-**	**1,069**	**963**	**217**	**1,021**	**395**	**70**	**3,735**
Depreciation	-	161	106	25	341	26	27	**686**
Disposals/other adjustments	-	3	20	18	35	45	32	**153**
Translation exchange differences	-	-	-	-	1	-	-	**1**
Accumulated depreciation as at 31 March 2022	**-**	**1,227**	**1,049**	**224**	**1,328**	**376**	**65**	**4,269**
Net block as at 31 March 2022	**56**	**2,133**	**432**	**63**	**1,058**	**78**	**74**	**3,894**

Also refer footnote 1 of note 2.14

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

2.2 Capital work in progress (CWIP)

The following table presents the ageing schedule for Capital-work-in progress:

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2023					
Projects in progress	21	-	-	-	21
	21	**-**	**-**	**-**	**21**
As at 31 March 2022					
Projects in progress	79	-	-	-	79
	79	**-**	**-**	**-**	**79**

The following table presents completion schedule of overdue project :

Particulars	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
As at 31 March 2023				
Project 1 - Campus construction	-	-	-	-
	-	**-**	**-**	**-**
As at 31 March 2022				
Project 1 - Campus construction	47	-	-	-
	47	**-**	**-**	**-**

2.3 Goodwill

The following table presents the changes in the carrying value of goodwill based on identified CGUs for the year ended 31 March 2023.

	IT and Business Services	Engineering and R&D services	HCL Software*	Total
Opening balance as at 1 April 2022	**344**	**214**	**5,992**	**6,550**
Translation exchange differences	-	-	(1)	**(1)**
Closing balance as at 31 March 2023	**344**	**214**	**5,991**	**6,549**

The following table presents the changes in the carrying value of goodwill based on identified CGUs for the year ended 31 March 2022.

	IT and Business Services	Engineering and R&D services	HCL Software*	Total
Opening balance as at 1 April 2021	**344**	**214**	**5,991**	**6,549**
Translation exchange differences	-	-	1	1
Closing balance as at 31 March 2022	**344**	**214**	**5,992**	**6,550**

*During the year ended 31 March 2023, the Company has changed the name of "Products & Platforms" segment to "HCL Software".

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the CGU, which benefit from the synergies of the acquisition.

Goodwill is tested annually on March 31, for impairment, or sooner whenever there is an indication that goodwill may be impaired. Impairment is recognized, when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The estimated value-in-use of the CGU is based on the future cash flow forecasts for 5 to 7 years and then on perpetuity on the basis of certain assumptions which include 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:

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

	As at	
	31 March 2023	31 March 2022
Revenue growth rate (average of next 5 to 7 years) (%)	(0.5) to 8.0	(2.3) to 9.6
Terminal revenue growth rate (%)	(3.7) to 2.0	(5.0) to 2.0
Pre tax discount rate (%)	12.1 to 15.7	9.9 to 14.0

As at 31 March 2023 and 31 March 2022 the estimated recoverable amount of each CGU exceeded the carrying amount and accordingly, no impairment was recognized. An analysis of the sensitivity of the computation to a change in key assumptions based on reasonable probability did not identify any probable scenario in which the recoverable amount of the CGUs would decrease below the carrying amount.

2.4 Other intangible assets

The changes in the carrying value for the year ended 31 March 2023

	Software	Licensed IPRs	Customer relationships	Customer contracts	Technology	Others	Total
Gross block as at 1 April 2022	**419**	**4,940**	**6,392**	**35**	**2,520**	**14**	**14,320**
Additions	99	-	-	-	-	-	99
Gross block as at 31 March 2023	**518**	**4,940**	**6,392**	**35**	**2,520**	**14**	**14,419**
Accumulated amortization and impairment as at 1 April 2022	**367**	**2,288**	**2,590**	**28**	**833**	**9**	**6,115**
Amortization	51	361	722	5	328	2	1,469
Accumulated amortization and impairment as at 31 March 2023	**418**	**2,649**	**3,312**	**33**	**1,161**	**11**	**7,584**
Net block as at 31 March 2023	**100**	**2,291**	**3,080**	**2**	**1,359**	**3**	**6,835**
Estimated remaining useful life (in years)	3	10	6	1	6	2	

The changes in the carrying value for the year ended 31 March 2022

	Software	Licensed IPRs	Customer relationships	Customer contracts	Technology	Others	Total
Gross block as at 1 April 2021	**424**	**4,871**	**6,392**	**35**	**2,520**	**14**	**14,256**
Additions	40	69	-	-	-	-	109
Disposals/other adjustments	45	-	-	-	-	-	45
Gross block as at 31 March 2022	**419**	**4,940**	**6,392**	**35**	**2,520**	**14**	**14,320**
Accumulated amortization and impairment as at 1 April 2021	**368**	**1,851**	**1,629**	**23**	**525**	**6**	**4,402**
Amortization	44	437	961	5	308	3	1,758
Disposals/other adjustments	45	-	-	-	-	-	45
Accumulated amortization and impairment as at 31 March 2022	**367**	**2,288**	**2,590**	**28**	**833**	**9**	**6,115**
Net block as at 31 March 2022	**52**	**2,652**	**3,802**	**7**	**1,687**	**5**	**8,205**
Estimated remaining useful life (in years)	3	11	7	2	7	3	

2.5 Investments

	As at	
	31 March 2023	**31 March 2022**
Financial assets		
Non-current		
Unquoted Investment		
Equity investment in subsidiary companies carried at cost (fully paid up)		
459,759,520(31 March 2022, 459,759,520) equity shares of USD 1 each in HCL Bermuda Limited, Bermuda	4,294	4,294
1,280 (31 March 2022, 1,280) equity shares of ₹ 10,000 each, in HCL Comnet Systems & Services Limited	11	11
HCL Technologies (Shanghai) Limited (issued & registered capital)	10	10
1,033,384 (31 March 2022, 1,033,384) equity shares of SGD 1 each, in HCL Singapore Pte. Limited	5	5
30,000,000 (31 March 2022, 30,000,000) equity shares of GBP 1 each fully paid up, in HCL EAS Limited	225	225
1,751,301 (31 March 2022, 1,751,301) equity shares of ₹ 10 each in HCL Training & Staffing Services Private Limited	2	2
100,000 (31 March 2022, 100,000) equity shares of SGD 1 each, in HCL Asia Pacific Pte. Ltd. (Formerly known as Geometric Asia Pacific Pte. Ltd., Singapore)	17	17
Euro 14.05 million (31 March 2022, 14.05 million) invested in equity share capital of Geometric Europe GmbH, Germany	67	67
1,432 (31 March 2022, 1,432) non assessable shares of USD 1 each, in Geometric Americas, Inc., U.S.A	224	224
7,589,107 (31 March 2022, 7,589,107) equity shares of ₹ 2 each in Sankalp Semiconductor Private Limited	185	185
47,580,000 (31 March 2022, 47,580,000) ordinary shares of Sri Lankan Rupees 10 each in H C L Technologies Lanka (Private) Limited	17	17
50,000 (31 March 2022, NIL) ordinary shares of ₹ 10 each in HCL Technologies Jigani Limited*	-	-
	5,057	**5,057**
Less: excess cost over fair value reimbursed for treasury shares allotted to employees of step down subsidiary of HCL Bermuda Limited*	-	-
	5,057	**5,057**
Current		
Quoted investments		
Carried at fair value through other comprehensive income		
Investment in debt securities	3,601	3,783
Unquoted Investments		
Carried at fair value through profit and loss		
Investment in mutual funds	1,501	2,256
	5,102	**6,039**
Total investments - financial assets	**10,159**	**11,096**
Aggregate amount of quoted investments	3,601	3,783
Aggregate amount of unquoted investments	6,558	7,313
Market value of quoted investments	3,601	3,783
Equity instruments carried at cost	5,057	5,057
Investment carried at fair value through other comprehensive income	3,601	3,783
Investment carried at fair value through profit and loss	1,501	2,256

Note:-

* Represent value less than ₹ 0.50 crore.

2.6 Trade receivables

(a) Non-current

	As at	
	31 March 2023	**31 March 2022**
Unbilled receivables	82	57
	82	**57**

(b) Current

	As at	
	31 March 2023	**31 March 2022**
Billed		
Unsecured, considered good (refer note below)	5,464	4,775
Trade receivables - credit impaired	40	25
	5,504	**4,800**
Impairment allowance for bad and doubtful debts (refer note 2.31(c))	(187)	(196)
	5,317	**4,604**
Unbilled receivables (refer note below)	7,596	6,543
	12,913	**11,147**

Note: Includes receivables from related parties amounting to ₹ 8,349 crores (31 March 2022, ₹ 6,717 crores).

Trade receivables - current	**Not Due**	**Outstanding as at 31 March 2023 from the due date of payment**					
		Less than 6 months	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed - considered good	2,833	1,873	230	224	101	203	5,464
Undisputed - credit impaired	1	3	2	2	-	-	8
Disputed - credit impaired	-	1	1	-	-	30	32
	2,834	1,877	233	226	101	233	5,504
Impairment allowance for bad and doubtful debts							(187)
							5,317
Unbilled receivables							7,596
							12,913

Trade receivables - current	**Not Due**	**Outstanding as at 31 March 2022 from the due date of payment**					
		Less than 6 months	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed - considered good	2,650	1,522	191	152	100	160	4,775
Undisputed - credit impaired	-	-	-	-	4	-	4
Disputed - credit impaired	-	-	-	-	-	21	21
	2,650	1,522	191	152	104	181	4,800
Impairment allowance for bad and doubtful debts							(196)
							4,604
Unbilled receivables							6,543
							11,147

2.7 Loans

	As at	
	31 March 2023	**31 March 2022**
Non - current		
Carried at amortized cost		
Unsecured, considered good		
Inter corporate deposits	-	200
	-	**200**
Current		
Carried at amortized cost		
Unsecured, considered good		
Inter corporate deposits	2,602	3,008
	2,602	**3,008**

2.8 Other financial assets

	As at	
	31 March 2023	**31 March 2022**
Non - current		
Carried at amortized cost		
Finance lease receivables (refer note 2.30(b))	97	70
Security deposits	59	63
Security deposits - related parties (refer note 2.33)	13	15
Bank deposits with more than 12 months maturity	378	1
Other receivables - related parties (refer note 2.33) (refer note below)	265	65
	812	**214**
Carried at fair value through other comprehensive income		
Unrealized gain on derivative financial instruments (refer note 2.31(a))	63	288
	875	**502**
Current		
Carried at amortized cost		
Finance lease receivables (refer note 2.30(b))	101	94
Interest receivables	253	208
Security deposits	25	19
Security deposits - related parties (refer note 2.33)	10	8
Others	8	103
Others - related parties (refer note 2.33) (refer note below)	114	-
	511	**432**
Carried at fair value through other comprehensive income		
Unrealized gain on derivative financial instruments (refer note 2.31(a))	79	287
Carried at fair value through profit and loss		
Unrealized gain on derivative financial instruments (refer note 2.31(a))	13	7
	603	**726**

Notes:
Includes ₹ 311 crores (31 March 2022, ₹ 65 crores) recoverable from subsidiaries againts RSUs awarded to the employees of the subsidiaries.

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

2.9 Inventories

	As at	
	31 March 2023	**31 March 2022**
Stock-in-trade	35	23
	35	**23**

2.10 Other non- current assets

	As at	
	31 March 2023	**31 March 2022**
Unsecured, considered good		
Capital advances	4	20
Advances other than capital advances		
Security deposits	32	32
Others		
Prepaid expenses	38	31
Deferred contract cost (refer note 2.21)	202	298
	276	**381**

2.11 Cash and cash equivalents and other bank balances

	As at	
	31 March 2023	**31 March 2022**
(a) Cash and cash equivalents		
Balance with banks	302	359
Deposits with original maturity of less than 3 months (including deposits with corporations and financial institutions with original maturity less than 3 months)	2,008	2,501
Remittances in transit	16	39
Cheques in hand	40	-
Unclaimed dividend account	8	8
	2,374	**2,907**
(b) Other bank balances		
Deposits with remaining maturity up to 12 months	3,857	1,942

2.12 Other current assets

	As at	
	31 March 2023	**31 March 2022**
Unsecured, considered good		
Advances other than capital advances		
Security deposits	39	34
Advances to supplier-related parties (refer note 2.33)	-	23
Advances to suppliers	23	12
Advances to employees	16	39
Others		
Prepaid expenses	447	412
Deferred contract cost (refer note 2.21)	221	203
Deferred contract cost-related parties (refer note 2.33)	1	-
Contract assets	162	122
Other advances	170	249
	1,079	**1,094**

	As at	
	31 March 2023	31 March 2022
Unsecured, considered doubtful		
Advances other than capital advances		
Advances to employees	68	27
Other advances	15	23
Less: Provision for doubtful advances	(83)	(50)
	-	-
	1,079	**1,094**

2.13 Equity share capital

	As at	
	31 March 2023	31 March 2022
Authorized		
3,017,000,000 (31 March 2022, 3,017,000,000) equity shares of ₹ 2 each	603	603
Issued, subscribed and fully paid up		
2,713,665,096 (31 March 2022, 2,713,665,096) equity shares of ₹ 2 each	543	543

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 2023		31 March 2022	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
Number of shares at the beginning	2,713,665,096	543	2,713,665,096	543
Number of shares at the end	2,713,665,096	543	2,713,665,096	543

The Company does not have any holding/ ultimate holding company.

Reconciliation of the number of treasury shares held by controlled trust at the end of the financial year

	As at	
	31 March 2023	31 March 2022
	No. of shares	No. of shares
Number of shares at the beginning	6,320,000	-
Add: Acquisition of shares by the Trust	-	6,320,000
Less: Issue of treasury to employees on exercise of RSUs	(19,847)	-
Number of shares at the end	6,300,153	6,320,000

Details of shareholders holding more than 5 % shares in the company

Name of the shareholder	As at			
	31 March 2023		31 March 2022	
	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	1,198,549,941	44.17%	1,191,720,742	43.92%
HCL Holdings Private Limited	446,662,032	16.46%	446,662,032	16.46%

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.

Notes to standalone financial statements for the year ended 31 March 2023

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

Details of promoters holding in the company is as follows

Promoter name	31 March 2023		31 March 2022		% change during the year
	No. of Shares	% of total shares	No. of Shares	% of total shares	
Vama Sundari Investments (Delhi) Private Limited	1,198,549,941	44.17%	1,191,720,742	43.92%	0.25%
HCL Holdings Private Limited	446,662,032	16.46%	446,662,032	16.46%	0.00%
HCL Corporation Private Limited	4,593,104	0.17%	4,593,104	0.17%	0.00%
Kiran Nadar Museum of Art	-	0.00%	4,131,914	0.15%	-0.15%
Ms. Kiran Nadar	494,602	0.02%	494,602	0.02%	0.00%
Mr. Shiv Nadar	736	0.00%	736	0.00%	0.00%
Ms. Roshni Nadar Malhotra	696	0.00%	696	0.00%	0.00%
	1,650,301,111	**60.81%**	**1,647,603,826**	**60.72%**	**0.10%**

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 2023	31 March 2022
Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash	Nil	Nil
Aggregate number and class of shares allotted as fully paid up by way of bonus shares	1,356,832,548 Equity shares	1,356,832,548 Equity shares
Aggregate number and class of shares bought back	36,363,636 Equity shares	71,363,636 Equity shares

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 20 years. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements have been generally met through operating cash flows generated.

Restricted Stock Unit Plan 2021 ("RSU 2021" or "Plan")

In November 2021, the Company instituted the Restricted Stock Unit Plan 2021 to provide equity-based incentives to all eligible employees of the Company and its subsidiaries. The Plan is administered by the Nomination and Remuneration Committee (NRC) of the Company through a controlled Trust. A maximum of 11,100,000 Restricted stock units (RSU) may be granted under the Plan. Each RSU granted under the plan entitles the holder to one equity share of the Company at an exercise price, which is approved by the Nomination and Remuneration Committee.

NRC granted RSUs to the eligible employees of the Company and its subsidiaries under the Plan. Subsequent to this grant, the Trust acquired shares from secondary market for the purpose of implementation of the Plan.

A summary of the general terms of grants under RSU 2021 plan is as below:

	RSU Plan 2021
Maximum number of RSUs under the plan	11,100,000
Method of settlement (cash / equity)	Equity
Vesting period (maximum)	5 years
Exercise period from the date of vesting (maximum)	6 months

Each RSU granted under the above plan entitles the holder to one equity share of the Company at an exercise price of ₹ 2.

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

The details of activity under the plan has been summarized below:

	Year ended			
	31 March 2023		31 March 2022	
	No. of RSUs	Weighted average exercise price (₹)	No. of RSUs	Weighted average exercise price (₹)
Outstanding at the beginning of the year	7,765,791	2	-	-
Add: Granted during the year	726,164	2	7,956,616	2
Less: Forfeited during the year	(718,540)	-	(190,825)	-
Less: Exercised during the year	(19,847)	2	-	-
RSUs outstanding at the end of the year	7,753,568	2	7,765,791	2
RSUs exercisable at the end of the year	137,537	2	-	-

Total number of RSUs granted include 1,524,526 (31 March 2022, 1,476,879) performance based RSUs, including those linked to relative performance parameters against select industry peers, given to certain senior employees. Number of shares expected to vest will be based on actual performance for each of the performance parameters. All other RSUs will vest if the employee continues to be in service on the roles of the Company or its subsidiaries on the vesting date.

Outstanding performance based RSUs includes 282,008 (31 March 2022, 356,383) RSUs granted for which performance targets will be finalized and communicated in subsequent years. Cost for these RSUs will be accounted from date of finalization of performance targets.

The details of exercise price for RSUs outstanding is as below:

Name of the plan	Exercise price (₹)	Number of RSUs outstanding	Weighted average remaining contractual life of RSUs (in years)
Restricted Stock Unit Plan 2021			
At 31 March 2023	2	7,753,568	1.4
At 31 March 2022	2	7,765,791	2.3

The fair value of the awards are determined using the Black-Scholes Model for RSUs with time and non-market performance-based vesting conditions and Monte Carlo simulation model is used for RSUs with market performance based vesting conditions. The inputs to the model include the share price at date of grant, exercise price, expected volatility, expected dividends, expected term and the risk-free rate of interest. Expected volatility during the term of the RSUs is based on historical volatility of the observed market prices of the Company's publicly traded equity shares during a period equivalent to the expected term of the RSUs. Expected volatility of the selected industry peers have been modelled based on historical movements in the market prices of their publicly traded equity shares during a period equivalent to the expected term of the RSUs. Correlation coefficient is calculated between each peer entity based on the historical weekly share prices of the companies.

The fair value of each equity-settled award granted during the year is estimated on the date of grant using the following assumptions:

	Year ended	
	31 March 2023	31 March 2022
Weighted average fair value (₹)	922	1,046
Weighted average share price (₹)	1,048	1,171
Exercise Price (₹)	2	2
Expected Volatility (%)	25.7 - 33.6	24.8 - 34.4
Life of the options granted (vesting and exercise period) in years	1.3 - 3.9	1.3 - 3.8
Expected dividends (%)	3.6 - 5.1	3.4
Average risk-free interest rate (%)	4.9 - 7.1	4.2 - 5.4

The expected life of the RSU is estimated based on the vesting term and contractual term of the RSU, as well as expected exercise behavior of the employee who receives the RSU.

2.14 Borrowings

	Non-current		Current	
	As at		As at	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Long term borrowings				
Secured				
Term loan from banks (refer note 1 below)	40	33	19	17
Unsecured				
Term loans from banks (refer note 2 below)	11	131	121	45
	51	**164**	**140**	**62**
Less: Current maturities of long term borrowings	-	-	(140)	(62)
	51	**164**	**-**	**-**
Unsecured short term borrowings				
Current maturities of long term borrowings	-	-	140	62
	-	**-**	**140**	**62**

Note:

1. The Company has term loans of ₹ 59 crores (31 March 2022, ₹ 50 crores) secured against gross block of vehicles of ₹ 141 crores (31 March 2022, ₹ 127 crores) at interest rate ranging from 7.45% p.a. to 9.15% p.a.(31 March 2022, 7.70% p.a. to 9.15% p.a.). The loans are repayable over a period of 3 to 5 years on a monthly basis.

2. An unsecured long term loan of ₹ 132 crores (31 March 2022, ₹ 176 crores) borrowed from banks at interest rates ranging from 8.35% p.a. to 8.70% p.a. (31 March 2022, 7.0% p.a.). The scheduled principal repayments of term loans are as follows:

	As at	
	31 March 2023	31 March 2022
Within one year	121	45
One to two years	11	121
Two to three years	-	10
	132	**176**

2.15 Trade payables - current

	As at	
	31 March 2023	31 March 2022
Trade payables	356	272
Trade payables-related parties (refer note 2.33)	888	613
	1,244	**885**
Unbilled and accruals	638	612
Unbilled and accruals-related parties (refer note 2.33)	901	716
	1,539	**1,328**
	2,783	**2,213**

Particulars	Not Due	Outstanding as at 31 March 2023 from the due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME - undisputed	23	-	-	-	-	23
(ii) Others - undisputed	333	879	4	3	2	1,221
	356	879	4	3	2	1,244
Unbilled and accruals						1,539
						2,783

Particulars	Not Due	Outstanding as at 31 March 2022 from the due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	10	1	-	-	-	11
(ii) Others	248	615	7	1	3	874
	258	616	7	1	3	885
Unbilled and accruals						1,328
						2,213

Relationship with Struck off companies

Name of the struck off Company	Nature of Transactions	Relationship	Year ended			
			31 March 2023		31 March 2022	
			Transaction	Balance outstanding	Transaction	Balance outstanding
Techphilic Private Limited	Payables	Vendor	-	-	-*	-
Divine Right Elevators Pvt. Ltd.	Payables	Vendor	-	-	-*	-*
Zarunodaya Electromechanical Pvt. Ltd.	Payables	Vendor	-*	-	-	-
Rushabhdev Commodities Broking	Receivables	Customer	-*	-	-	-
SRV Commodities Pvt. Ltd.	Receivables	Customer	-*	-	-	-
Mountain Valley Sprrings Pvt. Ltd.	Receivables	Customer	-*	-	-	-

* amounts are less than 0.50 crores

2.16 Other financial liabilities

	As at	
	31 March 2023	31 March 2022
Non - current		
Carried at amortized cost		
Employee bonuses accrued	1	1
Capital accounts payables	13	24
Carried at fair value through other comprehensive income		
Unrealized loss on derivative financial instruments [refer note 2.31(a)]	15	-
	29	**25**

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

	As at	
	31 March 2023	31 March 2022
Current		
Carried at amortized cost		
Interest accrued but not due on borrowings	1	1
Unclaimed dividends	8	8
Accrued salaries and benefits		
Employee bonuses accrued	976	931
Other employee costs	621	583
Others		
Liabilities towards customer contracts	66	68
Capital accounts payables	177	276
Capital accounts payables-related parties (refer note 2.33)	-	1
Others	5	22
	1,854	**1,890**
Carried at fair value through other comprehensive income		
Unrealized loss on derivative financial instruments [refer note 2.31(a)]	6	-
Carried at fair value through profit and loss		
Unrealized loss on derivative financial instruments [refer note 2.31(a)]	7	8
	1,867	**1,898**

2.17 Contract liabilities

	As at	
	31 March 2023	31 March 2022
Non - Current		
Contract liabilities (refer note 2.21)	154	118
Contract liabilities - related parties (refer note 2.21 and 2.33)	-	1
	154	**119**
Current		
Contract liabilities (refer note 2.21)	1,210	1,102
Contract liabilities - related parties (refer note 2.21 and 2.33)	2,498	2,152
	3,708	**3,254**

2.18 Provisions

	As at	
	31 March 2023	31 March 2022
Non - Current		
Provision for employee benefits		
Provision for gratuity (refer note 2.32)	627	675
Provision for leave benefits	252	283
	879	**958**
Current		
Provision for employee benefits		
Provision for gratuity (refer note 2.32)	141	114
Provision for leave benefits	120	126
Other provisions	22	-
	283	**240**

2.19 Other non-current liabilities

	As at	
	31 March 2023	31 March 2022
Others deposits	40	32
	40	**32**

2.20 Other current liabilities

	As at	
	31 March 2023	31 March 2022
Advances received from customers	101	58
Withholding and other taxes payable	291	250
	392	**308**

2.21 Revenue from operations

	Year ended	
	31 March 2023	31 March 2022
Sale of services	46,091	40,461
Sale of hardware and software	185	177
	46,276	**40,638**

Disaggregate Revenue information

The disaggregated revenue as per geography is as follows

	Year ended	
	31 March 2023	31 March 2022
Geography wise		
America	13,533	13,574
Europe	24,188	18,594
India*	3,954	3,236
Rest of world	4,601	5,234
	46,276	**40,638**

* includes revenue billed to India based captive of global customers

Remaining performance obligations

Remaining performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc). As at 31 March 2023, the aggregate amount of transaction price allocated to remaining performance obligation as per the requirements of Ind AS 115 was ₹ 43,633 crores (31 March 2022, ₹ 39,747 crores) out of which, approximately 40% (31 March 2022, 42%) is expected to be recognized as revenues within one year and the balance beyond one year. These amounts are not adjusted for variable consideration allocated to remaining performance obligation, which are not probable. These amounts also exclude contracts for which we recognize revenues based on the right to invoice for services performed and contracts where consideration is in the form of a sales-based or usage-based royalty promised in exchange for a license of intellectual property.

Contract balances

Contract assets : ₹ 162 crores of contract assets as on 31 March 2023, pertains to current year.

Contract liabilities :

The below table discloses the movement in the balance of contract liabilities :

	Year ended	
	31 March 2023	**31 March 2022**
Balance as at beginning of the year	3,373	2,542
Additional amounts billed but not recognized as revenue	2,231	1,670
Deduction on account of revenues recognized during the year	(1,750)	(843)
Translation exchange differences	8	4
Balance as at end of the year	**3,862**	**3,373**

Deferred contract cost: Deferred contract cost primarily represents the contract fulfilment cost and cost for obtaining the contract.

The below table discloses the significant movement in deferred contract cost :

	Year ended	
	31 March 2023	**31 March 2022**
Balance as at beginning of the year	501	444
Additional cost capitalised during the year	130	193
Deduction on account of cost amortised during the year	(210)	(136)
Translation exchange differences	3	-
Balance as at end of the year	**424**	**501**

Reconciliation of revenue recognised with the contracted price is as follows:

	Year ended	
	31 March 2023	**31 March 2022**
Contract price	46,413	40,805
Reduction towards variable consideration components	(137)	(167)
Revenue recognised	**46,276**	**40,638**

The reduction towards variable consideration comprises of volume discounts, service level credits, etc.

2.22 Other income

	Year ended	
	31 March 2023	**31 March 2022**
Interest income		
- On debt securities	193	190
- On bank and other deposits	351	272
- On income tax refund	1	1
- On others	13	29
Profit on sale of debt securities	-	10
Income on investments carried at fair value through profit and loss		
- Unrealized gains (loss) on fair value changes on mutual funds	3	1
- Profit on sale of mutual funds	95	87
Dividends from subsidiary companies	84	84
Profit on sale of property, plant and equipment (net) (refer note below)	165	21
Exchange differences (net)	83	157
Miscellaneous income	43	28
	1,031	**880**

Note: Net of loss on sale of property, plant & equipment ₹ 2 crores (previous year, ₹ 3 crores).

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

2.23 Changes in inventories of stock-in-trade

	Year ended	
	31 March 2023	**31 March 2022**
Opening stock	23	18
Less : Closing stock	35	23
	(12)	**(5)**

2.24 Employee benefits expense

	Year ended	
	31 March 2023	**31 March 2022**
Salaries, wages and bonus	18,868	15,128
Contribution to provident fund and other employee funds	752	623
Share based payments to employees	62	17
Staff welfare expenses	117	104
	19,799	**15,872**

2.25 Finance cost

	Year ended	
	31 March 2023	**31 March 2022**
Interest		
-on loans from banks	17	5
-on lease liabilities	44	49
-on direct taxes	44	43
-others	12	6
Bank charges	10	6
	127	**109**

2.26 Other expenses

	Year ended	
	31 March 2023	**31 March 2022**
Rent (refer note 2.30)	7	16
Power and fuel	189	168
Insurance	75	62
Repairs and maintenance		
- Plant and equipment	41	47
- Buildings	69	74
- Others	261	216
Communication costs	141	118
Travel and conveyance	499	219
Legal and professional charges	140	146
Software license fee	597	460
Rates and taxes	54	18
Recruitment, training and development	273	256
Expenditure toward corporate social responsibility activities (refer note 3.39)	238	216
Provision for doubtful debts/bad debts written off (net)	18	4
Others	185	207
	2,787	**2,227**

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

2.27 Income taxes

	Year ended	
	31 March 2023	**31 March 2022**
Income tax charged to statement of profit and loss		
Current income tax charge	3,045	2,464
Deferred tax (credit) charge	212	(70)
	3,257	**2,394**
Income tax charged to other comprehensive income		
Expense (benefit) on re-measurements of defined benefit plans	63	13
Expense (benefit) on revaluation of cash flow hedges	(79)	(2)
Expense (benefit) on unrealized gain (loss) on debt instruments	(3)	(9)
	(19)	**2**

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 March 2023	**31 March 2022**
Profit before tax	14,716	13,268
Statutory tax rate in India	34.94%	34.94%
Expected tax expense	5,142	4,636
Tax effect of adjustments to reconcile expected tax expense to reported tax expense		
Non-taxable export income	(1,739)	(1,679)
Non-taxable other income	(66)	(40)
Reversal due to settlement of uncertain tax positions and prior period provisions	(64)	(509)
Others (net)	(16)	(14)
Total taxes	**3,257**	**2,394**
Effective income tax rate	**22.14%**	**18.04%**

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 the year of commencement of operations and 50% of such profits and gains for the next five years. Certain tax benefits are also available for a further period of five years subject to meeting reinvestment conditions. The aforesaid tax benefits will not be available to units setup after 31 March 2021.

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 2035.

Corporate taxpayers can opt for a specified lower tax rate in lieu of current applicable tax rate subject to taxpayers not claiming any specified tax incentives including tax incentives available to special economic zone units and carryover of unutilized MAT credit ('new tax regime'). The Company will opt for new tax regime in the year new tax regime is beneficial to the Company.

The tax returns are subject to examination by the tax authorities in the jurisdictions where the Company conducts business. Regular tax examination is open for India, for tax years beginning 1 April 2019 onward and certain matters relating to prior years for which the tax assessment has already got concluded are subject to ongoing litigations, appeals and reassessment proceedings. The Company has significant intercompany transactions with its subsidiaries and has also filed for bilateral advance pricing agreements in certain jurisdictions starting from 1 April 2017 for which the resolutions are yet to be reached. These may result in assessment of additional taxes that may need to be resolved with the authorities or through legal proceedings. Resolution of these matters involves some degree of uncertainty; accordingly, the Company recognizes income tax liability that it believes will ultimately result from the proceedings.

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

Components of deferred tax assets and liabilities as on 31 March 2023

	Opening balance	Recognized in profit and loss	Recognised in / reclassified from OCI	Closing balance
Deferred tax assets				
MAT credit entitlement	2,358	(285)	-	2,073
Provision for doubtful debts	88	6	-	94
Accrued employee costs	406	50	(63)	393
Property, plant and equipment	-	3	-	3
Others	184	(18)	-	166
Gross deferred tax assets (A)	**3,036**	**(244)**	**(63)**	**2,729**
Deferred tax liabilities				
Property, plant and equipment	96	5	-	101
Intangibles and goodwill	2,104	(41)	-	2,063
Unrealized gain on derivative financial instruments	96	-	(79)	17
Others	4	4	(3)	5
Gross deferred tax liabilities (B)	**2,300**	**(32)**	**(82)**	**2,186**
Net deferred tax assets (A-B)	**736**	**(212)**	**19**	**543**

Components of deferred tax assets and liabilities as on 31 March 2022

	Opening balance	Recognized in profit and loss	Recognised in / reclassified from OCI	Closing balance
Deferred tax assets				
MAT credit entitlement	2,204	154	-	2,358
Provision for doubtful debts	93	(5)	-	88
Accrued employee costs	373	46	(13)	406
Others	210	(26)	-	184
Gross deferred tax assets (A)	**2,880**	**169**	**(13)**	**3,036**
Deferred tax liabilities				
Property, plant and equipment	80	16	-	96
Intangibles and goodwill	2,021	83	-	2,104
Unrealized gain on derivative financial instruments	98	-	(2)	96
Others	13	-	(9)	4
Gross deferred tax liabilities (B)	**2,212**	**99**	**(11)**	**2,300**
Net deferred tax assets (A-B)	**668**	**70**	**(2)**	**736**

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

2.28 Components of other comprehensive income

		Year ended	
		31 March 2023	31 March 2022
A	**Items that will not be reclassified to statement of profit and loss**		
	Remeasurement of defined benefit plans		
	Opening balance (net of tax)	35	12
	Actuarial gains or loss	175	36
	Income tax expense	(63)	(13)
	Closing balance (net of tax)	**147**	**35**
B	**Items that will be reclassified subsequently to statement of profit and loss**		
	Foreign currency translation reserve		
	Opening balance	4	15
	Foreign currency translation	21	(11)
	Closing balance	**25**	**4**
	Cash flow hedging reserve		
	Opening balance (net of tax)	466	183
	Unrealized gains (losses)	(381)	531
	Net gain reclassified into statement of profit and loss on occurrence of hedged transactions	(85)	(250)
	Income tax benefit	79	2
	Closing balance (net of tax)	**79**	**466**
	Unrealized gain debt instruments		
	Opening balance (net of tax)	4	22
	Unrealized losses	(8)	(27)
	Income tax benefit	3	9
	Closing Balance (net of tax)	**(1)**	**4**
	TOTAL (B)	**103**	**474**

2.29 Earnings per equity share (EPS)

The computation of earnings per equity share is as follows:

	Year ended	
	31 March 2023	31 March 2022
Net profit as per statement of profit and loss	11,459	10,874
Weighted average number of equity shares outstanding in calculating basic EPS	2,707,383,472	2,712,044,398
Dilutive effect of Restricted stock units outstanding	3,315,727	383,404
Weighted average number of equity shares outstanding in calculating diluted EPS	2,710,699,199	2,712,427,802
Nominal value of equity shares (in ₹)	2	2
Earnings per equity share (in ₹)		
- Basic	42.32	40.10
- Diluted	42.27	40.09

2.30 Leases

(a) Company as a lessee

The Company's significant leasing arrangements are in respect of leases for office spaces, leasehold land and IT equipments. The details of the right-of-use assets held by the Company is as follows:

	Leasehold land	Buildings	Computers and networking equipments	Total
Balance as at 1 April 2021	**277**	**617**	-	**894**
Depreciation	(6)	(165)	-	(171)
Additions	65	106	2	173
Derecognition	-	(20)	-	(20)
Translation exchange differences	-	(1)	-	(1)
Balance as at 31 March 2022	**336**	**537**	**2**	**875**
Balance as at 1 April 2022	**336**	**537**	**2**	**875**
Depreciation	(4)	(167)	-	(171)
Additions	2	172	-	174
Derecognition	(9)	(48)	-	(57)
Translation exchange differences	-	3	-	3
Balance as at 31 March 2023	**325**	**497**	**2**	**824**

The reconciliation of lease liabilities is as follows:

	Year ended	
	31 March 2023	31 March 2022
Balance as at beginning of the year	**654**	**718**
Additions	185	114
Amounts recognized in statement of profit and loss as interest expense	44	49
Payment of lease liabilities	(221)	(207)
Derecognition	(56)	(20)
Translation exchange differences	2	-
Balance as at end of the year	**608**	**654**

The lease rental expense relating to short-term leases recognized in the statement of profit and loss for the year amounted to ₹ 7 crores (Previous year, ₹ 16 crores).

The following table presents a maturity analysis of expected undiscounted cash flows for lease liabilities :

	As at	
	31 March 2023	31 March 2022
Within one year	208	204
One to two years	160	174
Two to three years	129	125
Three to five years	165	187
Thereafter	37	81
Total lease payments	**699**	**771**
Imputed interest	(91)	(117)
Total lease liabilities	**608**	**654**

Certain lease agreements include options to terminate or extend the leases. The lease agreements do not contain any material residual value guarantees or material restrictive covenants.

(b) Company as a lessor

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 at 31 March 2023			
Not later than one year	106	5	101
Later than one year and not later than 5 years	102	5	97
	208	**10**	**198**
As at 31 March 2022			
Not later than one year	97	3	94
Later than one year and not later than 5 years	72	2	70
	169	**5**	**164**

2.31 Financial instruments

(a) Derivatives

The Company is exposed to foreign currency fluctuations on assets / liabilities and forecast cash flows denominated in foreign currency. The use of derivatives to hedge the risk 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 nonperformance by the counterparty as insignificant. The Company has entered into a series of foreign exchange forward contracts and options that are designated as cash flow hedges and the related forecasted transactions extend through March 2028. The Company does not use these derivative instruments for speculative purposes.

The following table presents the aggregate notional principal amounts of the outstanding derivative instruments which have been designated as cash flow hedges:

Foreign exchange forward denominated in	Notional currency	Notional principal amounts (amount in million)		Balance sheet exposure Asset (Liability) (₹)	
		31 March 2023	31 March 2022	31 March 2023	31 March 2022
Forward contracts (Sell covers)					
USD / INR	USD	1,622	1,461	(77)	299
GBP / INR	GBP	90	60	19	33
EUR / INR	EUR	170	117	52	103
CHF / INR	CHF	55	46	1	15
SEK / INR	SEK	330	585	44	56
AUD / INR	AUD	96	103	30	7
NOK / INR	NOK	60	105	6	1
CAD / INR	CAD	26	31	6	1
JPY / INR	JPY	6,655	1,945	14	15
Range Forward (Sell covers)					
USD / INR	USD	599	305	26	23
GBP / INR	GBP	7	-	-	-
EUR / INR	EUR	6	29	-	22
				121	**575**

The Company has entered into derivatives instrument not designated as hedging relationship by way of foreign exchange forwards, currency options and futures contracts. As at 31 March 2023 and 2022, the notional principal amount of outstanding contracts aggregated to ₹ 4,733 crores and ₹ 4,240 crores, respectively and the respective balance sheet exposure of these contracts have a net gain of ₹ 6 crores and net loss of ₹ 1 crores.

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 2023				
	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	160	117	81	54	412
Foreign exchange contracts in a liability position	(81)	(54)	(87)	(69)	(291)
Net asset (liability)	**79**	**63**	**(6)**	**(15)**	**121**
Derivatives not designated as hedging instruments					
Foreign exchange contracts in an asset position	18	-	5	-	23
Foreign exchange contracts in a liability position	(5)	-	(12)	-	(17)
Net asset (liability)	**13**	**-**	**(7)**	**-**	**6**
Total derivatives at fair value	**92**	**63**	**(13)**	**(15)**	**127**

	As at 31 March 2022				
	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	291	290	4	2	587
Foreign exchange contracts in a liability position	(4)	(2)	(4)	(2)	(12)
Net asset (liability)	**287**	**288**	**-**	**-**	**575**
Derivatives not designated as hedging instruments					
Foreign exchange contracts in an asset position	14	-	7	-	21
Foreign exchange contracts in a liability position	(7)	-	(15)	-	(22)
Net asset (liability)	**7**	**-**	**(8)**	**-**	**(1)**
Total derivatives at fair value	**294**	**288**	**(8)**	**-**	**574**

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 2023	31 March 2022
Derivatives designated as hedging instruments		
Unrealized gain on financial instruments classified under current assets	79	287
Unrealized gain on financial instruments classified under non-current assets	63	288
Unrealized loss on financial instruments classified under current liabilities	(6)	-
Unrealized loss on financial instruments classified under non-current liabilities	(15)	-
	121	**575**
Derivatives not designated as hedging instruments		
Unrealized gain on financial instruments classified under current assets	13	7
Unrealized loss on financial instruments classified under current liabilities	(7)	(8)
	6	**(1)**

Maturity profile of derivative liabilities based on contractual payments is as below:

	As at	
	31 March 2023	**31 March 2022**
Within one year	13	8
One to two years	8	-
Two to three years	4	-
Three to five years	3	-
	28	8

The following table summarizes the activities in the statement of profit and loss and other comprehensive income:

	Year ended	
	31 March 2023	**31 March 2022**
Derivatives in hedging relationships		
Effective portion of gain or (loss) recognized in OCI on derivatives	(381)	531
Effective portion of gain reclassified from OCI into statement of profit and loss as "revenue"	85	250
Derivatives not in hedging relationships		
Gain or (loss) recognized into statement of profit and loss as "exchange differences"	(193)	83

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 2023	**31 March 2022**
Gain as at the beginning of the year	562	281
Unrealized gain on cash flow hedging derivatives during the year	(381)	531
Net gain reclassified into statement of profit and loss on occurrence of hedged transactions	(85)	(250)
Gain as at the end of the year	96	562
Deferred tax liability	(17)	(96)
Cash flow hedging reserve (net of tax)	**79**	**466**

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 of ₹ 48 crores (Previous year, gain of ₹ 274 crores).

(b) Financial assets and liabilities

The carrying value of financial instruments by categories as at 31 March 2023 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 subsidiaries)	1,501	3,601	-	5,102
Trade receivables (including unbilled)	-	-	12,995	12,995
Cash and cash equivalents	-	-	2,374	2,374
Other bank balances	-	-	3,857	3,857
Loans	-	-	2,602	2,602
Others	13	142	1,323	1,478
Total	**1,514**	**3,743**	**23,151**	**28,408**
Financial liabilities				
Borrowings	-	-	191	191
Lease liabilities	-	-	608	608
Trade payables (including unbilled and accruals)	-	-	2,783	2,783
Others	7	21	1,868	1,896
Total	**7**	**21**	**5,450**	**5,478**

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

The carrying value of financial instruments by categories as at 31 March 2022 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 subsidiaries)	2,256	3,783	-	6,039
Trade receivables (including unbilled)	-	-	11,204	11,204
Cash and cash equivalents	-	-	2,907	2,907
Other bank balances	-	-	1,942	1,942
Loans	-	-	3,208	3,208
Others	7	575	646	1,228
Total	**2,263**	**4,358**	**19,907**	**26,528**
Financial liabilities				
Borrowings	-	-	226	226
Lease liabilities	-	-	654	654
Trade payables (including unbilled and accruals)	-	-	2,213	2,213
Others	8	-	1,915	1,923
Total	**8**	**-**	**5,008**	**5,016**

Transfer of financial assets

The Company in the normal course of business sells certain trade receivables to banks. Under the terms of arrangements, the Company surrenders control over these assets and transfer is on a non-recourse basis.

During the year ended 31 March 2023 and 2022, the Company has sold certain trade receivables on non-recourse basis. Gains or losses on the sales are recorded at the time of transfers of these receivables and are immaterial.

Fair value hierarchy

The assets and liabilities measured at fair value on a recurring basis as at 31 March 2023 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	1,501	1,501	-	-
Investments carried at fair value through other comprehensive income	3,601	-	3,601	-
Unrealized gain on derivative financial instruments	155	-	155	-
Liabilities				
Unrealized loss on derivative financial instruments	28	-	28	-

The following table discloses the assets and liabilities measured at fair value on a recurring basis as at 31 March 2022 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	2,256	2,256	-	-
Investments carried at fair value through other comprehensive income	3,783	-	3,783	-
Unrealized gain on derivative financial instruments	582	-	582	-
Liabilities				
Unrealized loss on derivative financial instruments	8	-	8	-

There have been no transfers between Level 1 and Level 2 during the current and previous year

Valuation methodologies

Investments: The Company's investments consist of investment in debt linked mutual funds which are determined using quoted prices or identical quoted prices of assets or liabilities in active markets and are classified as Level 1. Fair value of corporate debt securities 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 and options. Fair values for derivative financial instruments are based on counter party quotations and are classified as Level 2.

The company assessed that fair value of cash and cash equivalent, loans, short-term deposits, trade receivables, other current financial assets, trade payables, bank overdrafts and other current financial 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 and 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 increase/decrease in the Company's profit before tax by approximately ₹ 98 crores (31 March 2022, ₹ 70 crores) for the year ended 31 March 2023.

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 2023 and 31 March 2022 in major currencies is as below:

	Financial assets		Financial liabilities	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
USD / INR	7,261	6,711	1,533	1,395
GBP / INR	856	540	73	34
EUR / INR	1,306	948	176	129

(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, 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, unbilled 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 trade receivables, contract assets, unbilled receivables and finance lease receivables. The Company also outsourced selected client related credit risks to financial markets through "Non-recourse assignment" of receivables.

The allowance for lifetime expected credit loss on customer balances is as below:

	As at	
	31 March 2023	31 March 2022
Balance at the beginning of the year	196	217
Additional provision during the year	64	35
Deductions on account of write offs and collections	(74)	(57)
Translation exchange differences	1	1
Balance at the end of the year	**187**	**196**

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.

Maturity profile of the Company's financial liabilities based on contractual payments is as below:

	Year 1 (Current)	Year 2	Year 3	Year 4-5 and thereafter	Total
As at 31 March 2023					
Borrowings	150	30	15	11	206
Lease liabilities	208	160	129	202	699
Trade payables (including unbilled and accruals)	2,783	-	-	-	2,783
Derivative financial liabilities	13	8	4	3	28
Other financial liabilities	1,853	17	-	-	1,870
Total	**5,007**	**215**	**148**	**216**	**5,586**
As at 31 March 2022					
Borrowings	77	141	22	9	249
Lease liabilities	204	174	125	268	771
Trade payables (including unbilled and accruals)	2,213	-	-	-	2,213
Derivative financial liabilities	8	-	-	-	8
Other financial liabilities	1,889	14	13	-	1,916
Total	**4,391**	**329**	**160**	**277**	**5,157**

2.32 Employee benefits

The Company has calculated the various benefits provided to employees as shown below:

(A) Defined contribution plans and state plans

Superannuation Fund

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 2023	31 March 2022
Superannuation Fund	13	12
Employer's contribution to Employee's Pension Scheme	163	154
Total	**176**	**166**

The Company has contributed ₹ 106 crores (previous year, ₹ 47 crores) towards other defined contribution plans of branches outside India.

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

(B) Defined benefit plans

(a) Gratuity

(b) Employer's contribution to provident fund

Gratuity

The following table sets out the status of the gratuity plan :

Statement of profit and loss

	Year ended	
	31 March 2023	**31 March 2022**
Current Service cost	202	155
Interest cost (net)	49	42
Net benefit expense	**251**	**197**

Balance Sheet

	As at	
	31 March 2023	**31 March 2022**
Defined benefit obligations	784	807
Fair value of plan assets	16	18
Net plan liability	**768**	**789**
Current defined benefit obligations	141	114
Non-current defined benefit obligations	627	675

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

	Year ended	
	31 March 2023	**31 March 2022**
Opening defined benefit obligations	807	728
Current service cost	202	155
Interest cost	50	43
Re-measurement gains (losses) in OCI		
Actuarial changes arising from changes in demographic assumptions	(26)	-
Actuarial changes arising from changes in financial assumptions	(100)	(15)
Experience adjustments	(49)	(19)
Benefits paid	(100)	(85)
Closing defined benefit obligations	**784**	**807**

Changes in fair value of the plan assets are as follows:

	Year ended	
	31 March 2023	**31 March 2022**
Opening fair value of plan assets	18	19
Interest income	1	1
Contributions	100	82
Re-measurement gains (losses) in OCI	-	-
Benefits paid	(103)	(84)
Closing fair value of plan assets	**16**	**18**

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 2023	**31 March 2022**
Discount rate	7.40%	6.75%
Estimated Rate of salary increases	6.50%	8.00%
Expected rate of return on assets	7.40%	6.75%

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. Inherent risk exists for the Company that any adverse salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks.

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 2023 arising due to an increase/decrease in key actuarial assumptions by 50 basis points:

	Discount rate		Salary escalation rate	
	As at		As at	
	31 March 2023	**31 March 2022**	**31 March 2023**	**31 March 2022**
Impact of increase	(21)	(26)	21	26
Impact of decrease	22	27	(21)	(25)

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 2023 as follows:

Year ending 31 March	Cash flows
- 2024	135
- 2025	139
- 2026	169
- 2027	222
- 2028	229
- Thereafter	2,951

The weighted average duration for the payment of these cash flows is 5.64 years.

Employer's contribution to provident fund

The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India based on the assumption mentioned below.

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

	31 March 2023	31 March 2022
Fair value of plan assets at the year end	6,495	5,566
Present value of benefit obligation at year end	6,495	5,566
Net liability recognized in balance sheet	**-**	**-**

The amount of net liability as at 31 March 2023 has been recognized in the other comprehensive income.

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

	31 March 2023	31 March 2022
Government of India (GOI) bond yield	7.40%	6.75%
Remaining term of maturity	7.51 years	7.60 years
Expected guaranteed interest rate	8.15%	8.10%

During the year ended 31 March 2023, the Company has contributed ₹ 445 crores (previous year, ₹ 331 crores) towards employer's contribution to provident fund..

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

2.33 Related party transactions

(a) Related parties where control exists

List of subsidiaries as at 31 March 2023 and 31 March 2022 is as below:

S. No.	Name of the Subsidiaries	Country of Incorporation	Percentage holding as at	
			31 March 2023	31 March 2022
Direct subsidiaries				
1	HCL Comnet Systems & Services Limited	India	100%	100%
2	HCL Bermuda Limited	Bermuda	100%	100%
3	HCL Technologies (Shanghai) Limited	China	100%	100%
4	HCL Singapore Pte. Limited	Singapore	100%	100%
5	HCL Training & Staffing Services Private Limited	India	100%	100%
6	Geometric Americas, Inc.	USA	100%	100%
7	HCL Asia Pacific Pte. Ltd.	Singapore	100%	100%
8	Geometric Europe GmbH	Germany	100%	100%
9	Sankalp Semiconductor Private Limited	India	100%	100%
10	H C L Technologies Lanka (Private) Limited	Sri Lanka	100%	100%
11	HCL Technologies Jigani Limited ^	India	100%	-
Step down subsidiaries of direct subsidiaries				
12	HCL Great Britain Limited	UK	100%	100%
13	HCL Australia Services Pty. Limited	Australia	100%	100%
14	HCL (New Zealand) Limited	New Zealand	100%	100%
15	HCL Hong Kong SAR Limited	Hong Kong	100%	100%
16	HCL Japan Limited	Japan	100%	100%
17	HCL America Inc.	USA	100%	100%
18	HCL Technologies Austria GmbH	Austria	100%	100%
19	HCL Software Products Limited	India	100%	100%
20	HCL Poland Sp.z.o.o	Poland	100%	100%
21	HCL EAS Limited	UK	100%	100%
22	HCL Insurance BPO Services Limited	UK	100%	100%
23	Axon Group Limited	UK	100%	100%
24	HCL Canada Inc.	Canada	100%	100%
25	HCL Technologies Solutions GmbH	Switzerland	100%	100%
26	Axon Solutions Pty. Limited !	Australia	-	100%
27	Axon Solutions Limited	UK	100%	100%
28	HCL Technologies Malaysia Sdn. Bhd.	Malaysia	100%	100%
29	Axon Solutions (Shanghai) Co. Limited	China	100%	100%
30	HCL Technologies (Proprietary) Ltd %	South Africa	48%	48%
31	HCL Argentina s.a.	Argentina	100%	100%
32	HCL Technologies Mexico S. de R.L.	Mexico	100%	100%
33	HCL Technologies Romania s.r.l.	Romania	100%	100%
34	HCL Technologies Startschema Kft. (Formerly "HCL Hungary Kft")	Hungary	100%	100%
35	HCL Latin America Holding LLC	USA	100%	100%
36	HCL (Brazil) Tecnologia da Informacao LTDA (Formerly "HCL (Brazil) Technologia da informacao EIRELI")	Brazil	100%	100%
37	HCL Technologies Denmark Aps	Denmark	100%	100%
38	HCL Technologies Norway AS	Norway	100%	100%

(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 2023	31 March 2022
39	PT. HCL Technologies Indonesia Limited	Indonesia	100%	100%
40	HCL Technologies Philippines Inc.	Philippines	100%	100%
41	HCL Technologies South Africa (Proprietary) Limited %	South Africa	36%	36%
42	HCL Arabia LLC	Saudi Arabia	100%	100%
43	HCL Technologies France SAS	France	100%	100%
44	Filial Espanola De HCL Technologies S.L	Spain	100%	100%
45	Anzospan Investments Pty Limited %	South Africa	70%	70%
46	HCL Investments (UK) Limited	UK	100%	100%
47	Statestreet HCL Holding UK Limited **	UK	100%	100%
48	Statestreet HCL Services (Philippines) Inc. **	Philippines	100%	100%
49	Statestreet HCL Services (India) Private Limited **	India	100%	100%
50	HCL America Solutions Inc.	USA	100%	100%
51	HCL Technologies Chile Spa	Chile	100%	100%
52	HCL Technologies UK Limited	UK	100%	100%
53	HCL Technologies B.V.	Netherlands	100%	100%
54	HCL (Ireland) Information Systems Limited	Ireland	100%	100%
55	HCL Technologies Germany GmbH	Germany	100%	100%
56	HCL Technologies Belgium BV (Formerly "HCL Technologies Belgium BVBA")	Belgium	100%	100%
57	HCL Technologies Sweden AB	Sweden	100%	100%
58	HCL Technologies Finland Oy	Finland	100%	100%
59	HCL Technologies Italy S.P.A	Italy	100%	100%
60	HCL Technologies Columbia S.A.S	Columbia	100%	100%
61	HCL Technologies Middle East FZ-LLC	UAE	100%	100%
62	HCL Istanbul Bilisim Teknolojileri Limited Sirketi	Turkey	100%	100%
63	HCL Technologies Greece Single Member P.C	Greece	100%	100%
64	HCL Technologies S.A.	Venezuela	100%	100%
65	HCL Technologies Beijing Co., Ltd	China	100%	100%
66	HCL Technologies Luxembourg S.a r.l	Luxembourg	100%	100%
67	HCL Technologies Egypt Limited	Egypt	100%	100%
68	HCL Technologies Estonia OÜ	Estonia	100%	100%
69	HCL Technologies (Thailand) Ltd.	Thailand	100%	100%
70	HCL Technologies Czech Republic s.r.o.	Czech Republic	100%	100%
71	HCL Muscat Technologies L.L.C.	Oman	100%	100%
72	Point to Point Limited !	UK	-	100%
73	Point to Point Products Limited !	UK	-	100%
74	HCL Technologies Lithuania UAB	Lithuania	100%	100%
75	HCL Technologies (Taiwan) Ltd.	China	100%	100%
76	Geometric China, Inc.	China	100%	100%
77	Butler America Aerospace LLC	USA	100%	100%
78	HCL Lending Solutions, LLC (Formerly "Urban Fulfillment Services LLC")	USA	100%	100%
79	Datawave (An HCL Technologies Company) Limited	Scotland	100%	100%
80	HCL Technologies Corporate Services Limited	UK	100%	100%
81	C3i Support Services Private Limited	India	100%	100%
82	Telerx Marketing Inc.	USA	100%	100%

(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 2023	31 March 2022
83	C3i Europe Eood	Bulgaria	100%	100%
84	C3i Japan GK	Japan	100%	100%
85	C3i Services &Technologies (Dalian) Co., Ltd	China	100%	100%
86	HCL Technologies SEP Holdings Inc !	USA	-	100%
87	Actian Corporation	USA	100%	100%
88	Actian Australia Pty. Ltd.	Australia	100%	100%
89	Actian Europe Limited	UK	100%	100%
90	Actian France SAS	France	100%	100%
91	Actian Germany GmbH	Germany	100%	100%
92	Actian International, Inc.	USA	100%	100%
93	Actian Netherlands B.V.!	Netherlands	-	100%
94	Actian Technology Private Limited	India	100%	100%
95	Versant GmbH	Germany	100%	100%
96	Versant India Private Limited	India	100%	100%
97	HCL Technologies Vietnam Company Limited	Vietnam	100%	100%
98	HCL Guatemala, Sociedad Anonima	Guatemala	100%	100%
99	Sankguj Semiconductor Private Limited	India	100%	100%
100	Sankalp Semiconductor Inc.	Canada	100%	100%
101	Sankalp USA Inc. !	USA	-	100%
102	Sankalp Semiconductor GmbH.	Germany	100%	100%
103	Sankalp Semiconductor SDN.BHD.	Malaysia	100%	100%
104	HCL Technologies Trinidad And Tobago Limited	Trinidad and Tobago	100%	100%
105	HCL Technologies Azerbaijan Limited Liability Company	Azerbaijan	100%	100%
106	HCL Technologies Bulgaria EOOD	Bulgaria	100%	100%
107	HCL Vietnam Company Limited (Formerly known as HCL Technologies (Vietnam) Company Limited)	Vietnam	100%	100%
108	HCL Technologies Angola (SU), LDA	Angola	100%	100%
109	DWS Pty Limited (Formely "DWS Limited")	Australia	100%	100%
110	DWS (New Zealand) Ltd	New Zealand	100%	100%
111	Phoenix IT & T Consulting Pty Ltd	Australia	100%	100%
112	Wallis Nominees (Computing) Pty Ltd	Australia	100%	100%
113	DWS (NSW) Pty Ltd	Australia	100%	100%
114	Symplicit Pty Ltd	Australia	100%	100%
115	Projects Assured Pty Ltd	Australia	100%	100%
116	DWS Product Solutions Pty Ltd	Australia	100%	100%
117	Graeme V Jones & Associates Pty Ltd	Australia	100%	100%
118	Strategic Data Management Pty Ltd	Australia	100%	100%
119	SDM Sales Pty Ltd	Australia	100%	100%
120	HCL Technologies S.A.C.	Peru	100%	100%
121	HCL Technologies Costa Rica Sociedad De Responsabilidad Limitada	Costa Rica	100%	100%
122	HCL Technologies gbs GmbH (Formerly "gbs-Gesellschaft für Banksysteme GmbH")	Germany	51%	51%
123	HCL Technologies Slovakia s. r. o.	Slovakia	100%	100%
124	HCL Technologies Bahrain W.L.L	Bahrain	100%	100%
125	HCL Technologies Morocco Limited	Morocco	100%	100%

(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 2023	31 March 2022
126	Starschema kft. (Formerly "Starschema Kereskedelmi és Szolgáltató kft.") # *	Hungary	-	-
127	Manzina Tech GmbH #	Switzerland	100%	-
128	Starschema Inc #	USA	100%	-
129	Confinale AG #	Switzerland	100%	-
130	Brilliant Data LLC #	USA	100%	-
131	Confinale (Deutschland) GmbH #	Germany	100%	-
132	Confinale (UK) Limited #	UK	100%	-
133	Quest Informatics Private Limited #	India	100%	-

^ Incorporated during the year.
# Acquired during the year.
! Closed during the year.
* Merged during the year.
% The Group has majority composition of board of directors and management control.
** The Group has equity interest of 49% and 100% dividend rights and control.

Employee benefit trusts - incorporated in India
Hindustan Instruments Limited Employees Provident Fund Trust
HCL Consulting Limited Employees Superannuation Scheme
HCL Comnet System and Services Limited Employees Provident Fund Trust
HCL Technologies Employees Group Gratuity Trust
HCL Technologies Stock Options Trust
C3i Support Services Employees Gratuity Trust
Sankalp Stock Trust (Closed w.e.f 6th March 2023)
Sankalp Semiconductor Private Limited Employees Group Gratuity Trust

(b) Related parties with whom transactions have taken place

Key Management Personnel
Mr. C. Vijayakumar – Chief Executive Officer and Managing director(appointed Managing Director w.e.f. 20 July 2021)
Mr. Prateek Aggarwal – Chief Financial Officer
Mr. Manish Anand – Company Secretary
Mr. Shiv Nadar – Chief Strategy Officer (ceased to be Managing Director w.e.f. 19 July 2021)

Non-Executive & Independent Directors
Mr. R. Srinivasan
Ms. Robin Abrams
Dr. Sosale S. Sastry
Mr. S. Madhavan
Mr. Thomas Sieber
Ms. Nishi Vasudeva
Mr. Deepak Kapoor
Dr. Mohan Chellappa
Mr. Simon England
Ms. Vanitha Narayanan (appointed w.e.f. 19 July 2021)

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

Non-Executive & Non-Independent Directors
Ms. Roshni Nadar Malhotra, Chairperson
Mr. Shikhar Malhotra

Others (Significant influence)	
Mr. Shiv Nadar (ceased to be Managing Director w.e.f. 19 July 2021)	Ms. Kiran Nadar
HCL Infosystems Limited	HCL IT City Lucknow Private Limited
HCL Avitas Private Limited	HCL Infotech Limited
Vama Sundari Investments (Delhi) Private Limited	Shiv Nadar University
HCL Corporation Private Limited	HCL Holdings Private Limited
SSN Investments (Pondi) Private Limited	Shiv Nadar Foundation*
Naksha Enterprises Private Limited	
Kiran Nadar Musuem of Art*	

* Public Charitable Trusts in which Mr. Shiv Nadar or his family members are managing trustees.

Transactions with related parties during the normal course of business	Subsidiaries		Significant influence	
	Year ended		Year ended	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Revenues from operations	27,827	22,119	3	3
Interest income	-	-	2	2
Dividend income	84	84	-	-
Outsourcing cost and other expenses	6,347	6,405	6	5
Employee benefit expense	-	-	66	60
Payment for use of facilities	-	-	-	4
Interim dividend	-	-	7,909	6,876
Corporate guarantee fees	12	12	-	-
Investments	-	16	-	-
Depreciation charge on right-of-use assets	-	-	33	32
Interest expense on the lease liability	-	-	5	5
Sale of capital equipments	-	-	1	-

Material related party transactions	Subsidiaries		Significant influence	
	Year ended		Year ended	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Revenues from operations				
HCL Technologies Corporate Services Limited	13,391	9,658	-	-
Other expenses				
HCL Technologies Corporate Services Limited	10	28	-	-
Interim dividend paid				
Vama Sundari Investments (Delhi) Private Limited	-	-	5,729	4,949
HCL Holding Private Limited	-	-	2,144	1,876

Transactions with Key Managerial personnel during the year (on accrual basis)	Year ended	
	31 March 2023	31 March 2022
Compensation		
- Short-term employee benefits from company	4	5
- Other long term benefits from company	4	4
Interim Dividend	2	2

Other Long term employee benefits include expense of ₹ 3 crores (previous year ₹ 1 crores) recorded by the Company on account of share-based payment.

Above does not include post-employment based on actuarial valuation as this is done for the company as a whole.

Transactions with Directors during the year	Year ended	
	31 March 2023	31 March 2022
Commission & other benefits to Directors (includes sitting fees)	13	10

Outstanding balances	Subsidiaries		Significant influence	
	As at		As at	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Trade receivables, other financial assets and other assets	8,725	6,804	26	24
Trade payables, other financial liabilities and contract liabilities	4,250	3,465	37	18
Guarantee outstanding	2,573	4,365	-	-
Employee and other payables	-	-	2	16
Lease liabilities	-	-	65	69
Right-of-use assets	-	-	67	61

Material related party balances	As at	
	31 March 2023	31 March 2022
Trade receivables, other financial assets and other assets		
HCL Technologies Corporate Services Limited	2,939	2,473
Trade payables, other financial liabilities and other liabilities		
HCL Technologies Corporate Services Limited	417	251

All transactions entered by the Company with related parties are at arm's length and in ordinary course of business.

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

The Company has not received any funds from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

2.34 Research and development expenditure

	Year ended	
	31 March 2023	31 March 2022
Amount charged to statement of profit and loss	552	522
Amount capitalized under intangibles assets	-	-
	552	**522**

2.35 Commitments and contingent liabilities

		As at	
		31 March 2023	31 March 2022
(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)	91	305
(ii)	**Contingent liabilities**		
	Others	2	2
		93	**307**

(a) The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the final rules are yet to be notified. The Company will carry out an evaluation of the impact and record the same in the financial statements in the period in which the Code becomes effective and the related rules are published.

(b) 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 2023.

(c) 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 ₹ 2,573 crores (USD 270 million and GBP 35 million) (31 March 2022, ₹ 4,365 crores (USD 530 million and GBP 35 million)). 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.

2.36 Payment to auditors

	Year ended	
	31 March 2023	31 March 2022
Audit fees	9	7
Other services (Tax audit fees, certification and out of pocket expenses)	1	1
Other non audit tax services *	-*	-*
	10	**8**

* Represents amount less than ₹ 0.50 crores

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

2.37 Ratio

Ratio	Numerator	Denominator	Units	Year ended 31 March 2023	Year ended 31 March 2022	% Variance
Current ratio	Current assets	Current liabilities	Times	2.7	3.0	**-10%**
Debt equity ratio	Total debts (refer note 1 below)	Total equity	Times	0.0	0.0	**-**
Debt service coverage ratio	Earning availables for debt service (refer note 2 below)	Debt service (refer note 3 below)	Times	45.7	47.3	**-3%**
Return on equity ratio	Profit for the year	Average total equity	%	27.4	25.2	**9%**
Inventory turnover ratio	Cost of good sold (refer note 4 below)	Average inventories	Times	5.4	7.3	**-26%**
Trade receivables turnover ratio	Revenue from operations	Average trade receivables	Times	3.8	3.9	**-3%**
Trade payables turnover ratio	Net credit purchases (refer note below 5)	Average trade payables	Times	4.1	2.9	**41%**
Net capital turnover ratio	Revenue from operations	Working capital (refer note below 6)	Times	2.6	2.3	**13%**
Net profit ratio	Profit for the year	Revenue from operations	%	24.8	26.8	**-7%**
Return on capital employed	Earning before interest and taxes	Capital employed (refer note 7 below)	%	34.5	30.1	**15%**
Return on investment						
Unquoted	Income generated from invested funds	Time weighted average investments	%	5.8	4.2	**38%**
Quoted	Income generated from invested funds	Time weighted average investments	%	6.0	5.3	**13%**

Notes :

(1) Total debts consists of borrowings and lease liabilities.

(2) Earning availables for debt services = Profit for the year + depreciation, amortisation and impairment + interest + loss on sale of property,plant and equipments + Provision for doubtful debts + share based payment to employees + non cash charges.

(3) Debt service = Interest + payment for lease liabilities + principal repayments.

(4) Cost of goods sold includes purchase of stock in trade and change in inventories of stock in trade.

(5) Net credit purchase includes purchase of stock-in-trade, change in inventories of stock-in-trade, outsourcing costs and other expenses.

(6) Working capital = current assets - current liabilities.

(7) Capital employed = Tangible net worth includes acquired goodwill and other intangibles assets + total debt - deferred tax assets.

(8) Average is calculated based on simple average of opening and closing balances.

Explanation where change in the ratio is more than 25%

Inventory turnover ratio

Inventory turnover Ratio has decreased from 7.3 times in FY 21-22 to 5.4 times in FY 22-23 primarily due to increase in average inventory by ₹ 12 crores.

Trade payables turnover ratio

Trade payable turnover Ratio has increased from 2.9 times in FY 21-22 to 4.1 times in FY 22-23 primarily due to decrease in average trade payables.

Return on investment - Unquoted

Return on unquoted investment has increased from 4.2% in FY 21-22 to 5.8% in FY 22-23, primarily on account of higher realized return.

2.38 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 2023		For the year ended 31 March 2022	
	Principal	Interest	Principal	Interest
Amount due to vendors (Including capital account payables)	3	-	9	-
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	-	-	-	-

This has been determined on the basis of responses received from vendors on specific confirmation sought by the Company.

2.39 Corporate social responsibility

	Year ended	
	31 March 2023	31 March 2022
(i) amount required to be spent by the company during the year,	238	216
(ii) amount of expenditure incurred,		
(a) Construction/acquisition of any assets	-	-
(b) On purpose other than (a) above	238	216
(iii) shortfall at the end of the year,	-	-
(iv) total of previous years shortfall,	-	-
(v) reason for shortfall,	NA	NA
(vi) nature of CSR activities,	Refer note below	
(vii) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,	NA	NA
(viii) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	-	-

Note : CSR activities includes Education, Environment, Skill Development & Livelihood, Water & Sanitation, Promoting sustainable health, nutrition and hygiene interventions, Gender & Inclusion, Early Childhood Care & Development, Disaster relief.

2.40 Segment Reporting

As per Ind AS 108 'Operating Segments', the Company has disclosed the segment information only as part of the consolidated financial statement.

2.41 Subsequent events

The Board of Directors at its meeting held on 20 April 2023 has declared an interim dividend of ₹ 18 per share.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. : 101248W/W-100022

Rakesh Dewan
Partner
Membership Number: 092212

Gurugram, India
20 April 2023

For and on behalf of the Board of Directors of HCL Technologies Limited

Roshni Nadar Malhotra
Chairperson
DIN - 02346621

C. Vijayakumar
Chief Executive Officer
and Managing Director
DIN - 09244485

S. Madhavan
Director
DIN - 06451889

Prateek Aggarwal
Chief Financial Officer

Goutam Rungta
Corporate Vice President - Finance

Manish Anand
Company Secretary

Noida (UP), India
20 April 2023

Consolidated Ind AS Financial Statements

INDEPENDENT AUDITORS' REPORT

To the Members of HCL Technologies Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of HCL Technologies Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its associate, which comprise the consolidated balance sheet as at 31 March 2023, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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 31 March 2023, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group and its associate in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matters

Evaluation of tax positions and litigations See Note 1(i) and 3.25 to consolidated financial statements	
The key audit matter	**How the matter was addressed in our audit**
The Group operates in multiple global jurisdictions which requires it to estimate its income tax liabilities according to the tax laws of the respective tax jurisdictions. Further, there are matters of interpretation in terms of application of tax laws and related rules to determine current tax provision and deferred taxes. The Group has material tax positions and litigations on a range of tax matters primarily in India. This requires management to make significant judgments to determine the possible outcome of uncertain tax positions and litigations and their consequent impact on related accounting and disclosures in the consolidated financial statements.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: ● testing the design, implementation and operating effectiveness of the Group's key controls over identifying uncertain tax positions and matters involving litigations/disputes. ● obtaining details of tax positions and tax litigations for the year and as at 31 March 2023 and holding discussions with designated management personnel. ● assessing and analysing select key correspondences with tax authorities and inspecting external legal opinions obtained by management for key uncertain tax positions and tax litigations. ● evaluating underlying evidence and documentation to determine whether the information provides a basis for amounts reserved/not reserved in the books of account. ● involving our internal tax specialists and evaluating management's underlying key assumptions in estimating the tax provisions and estimate of the possible outcome of significant tax litigations; and ● in respect of tax positions and litigations, assessing the computation of provisions and consequent impact on related accounting and disclosures in the consolidated financial statements.

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the entities 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 the assets of each entity 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 consolidated 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 financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the entities included in the Group and of its associate are responsible for assessing the ability of each entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the entities included in the Group and, of its associate are responsible for overseeing the financial reporting process of each entity.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) 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 purposes of our audit of the aforesaid consolidated financial statements.

    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

    (c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

    (d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2023 taken on record by the Board of Directors of the Holding Company and on the basis of written representations received by the management from the directors of its subsidiary companies which are incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2023 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 with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (B) 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:

    (a) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2023 on the consolidated financial position of the Group and its associate. Refer income tax liabilities disclosed in the balance sheet along with Note 3.25 and Note 3.34 to the consolidated financial statements.

    (b) The Group and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2023.

    (c) There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2023.

    (d) (i) The management of the Holding Company has represented that, to the best of it's knowledge and belief, as disclosed in note 3.32 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary companies incorporated in India to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

    - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary companies incorporated in India ("Ultimate Beneficiaries") or
    - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

    (ii) The management of the Holding Company has represented that, to the best of it's knowledge and belief, as disclosed in note 3.32 to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies incorporated in India from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies incorporated in India shall:

    - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or
    - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

    (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

    (e) The interim dividend declared or paid by the Holding Company during the year and until the date of this audit report is in accordance with Section 123 of the Act.

    (f) As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company or any of such subsidiary companies incorporated in India only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company and its subsidiary companies which are incorporated in India to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies which are incorporated in India, is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.101248W/W-100022

Rakesh Dewan
Partner
Membership No.: 092212
ICAI UDIN : 23092212BGXLZU1909

Place: Gurugram
Date: 20 April 2023

Annexure A to the Independent Auditor's report on the consolidated financial statements of HCL Technologies Limited for the year ended 31 March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) The Companies (Auditor's Report) Order (CARO) of the Holding Company and its two subsidiaries did not include any unfavorable answers or qualifications or adverse remarks.

According to the information and explanations given to us, in respect of the following companies incorporated in India and included in the consolidated financial statements, the CARO report relating to them has not been issued by their auditors till the date of this audit report:

Name of the entities	CIN	Subsidiary
Statestreet HCL Services (India) Private Limited	U72900DL2012FTC229698	Subsidiary
HCL Software Products Limited	U72300DL1995PLC069891	Subsidiary
Sankguj Semiconductor Private Limited	U72900GJ2017PTC100075	Subsidiary
HCL Comnet Systems & Services Limited	U74899DL1993PLC056665	Subsidiary
HCL Training & Staffing Services Private Limited	U74140DL2015PTC281555	Subsidiary
Sankalp Semiconductor Private Limited	U72100KA2005PTC037574	Subsidiary
C3i Support Services Private Limited	U72200TG2003PTC041797	Subsidiary
HCL Technologies Jigani Limited	U72200DL2022PLC403641	Subsidiary
Quest Informatics Private Limited	U72200KA2000PTC026374	Subsidiary

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.101248W/W-100022

Rakesh Dewan
Partner
Membership No.: 092212
ICAI UDIN : 23092212BGXLZU1909

Place: Gurugram
Date: 20 April 2023

Annexure B to the Independent Auditor's Report on the consolidated financial statements of HCL Technologies Limited for the year ended 31 March 2023

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2A(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of HCL Technologies Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The respective Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 consolidated 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 with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include 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 consolidated 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 consolidated financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.101248W/W-100022

Rakesh Dewan
Partner
Membership No.: 092212
ICAI UDIN : 23092212BGXLZU1909

Place: Gurugram
Date: 20 April 2023

Consolidated Balance Sheet

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

		Note No.	As at	
			31 March 2023	31 March 2022
I	**ASSETS**			
	(1) Non-current assets			
	(a) Property, plant and equipment	3.1	5,371	5,612
	(b) Capital work in progress		40	129
	(c) Right-of-use assets	3.28(a)	2,337	2,305
	(d) Goodwill	3.2	18,567	17,417
	(e) Other intangible assets	3.3	8,344	9,743
	(f) Investments accounted for using the equity method	3.4(a)	-	9
	(g) Financial assets			
	(i) Investments	3.4(b)	110	103
	(ii) Trade receivables - unbilled	3.5(a)	681	1,072
	(iii) Loans	3.6	-	200
	(iv) Others	3.7	1,279	1,220
	(h) Deferred tax assets (net)	3.25	1,252	1,176
	(i) Other non-current assets	3.9	1,853	2,006
	Total non-current assets		**39,834**	**40,992**
	(2) Current assets			
	(a) Inventories	3.8	228	161
	(b) Financial assets			
	(i) Investments	3.4(b)	5,385	6,239
	(ii) Trade receivables			
	Billed	3.5(b)	19,572	15,476
	Unbilled	3.5(b)	5,934	5,195
	(iii) Cash and cash equivalents	3.10(a)	9,065	10,510
	(iv) Other bank balances	3.10(b)	5,659	2,126
	(v) Loans	3.6	2,603	3,008
	(vi) Others	3.7	1,120	1,520
	(c) Current tax assets (net)		195	234
	(d) Other current assets	3.11	3,816	3,572
	Total current assets		**53,577**	**48,041**
	TOTAL ASSETS		**93,411**	**89,033**
II	**EQUITY**			
	(a) Equity share capital	3.12	543	543
	(b) Other equity		64,862	61,371
	Equity attributable to shareholders of the Company		65,405	61,914
	Non-controlling interest		(7)	92
	TOTAL EQUITY		**65,398**	**62,006**

Consolidated Balance Sheet

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

		Note No.	As at	
			31 March 2023	31 March 2022
III	**LIABILITIES**			
	(1) Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	3.13	2,111	3,923
	(ii) Lease liabilities	3.28(a)	1,664	1,659
	(iii) Others	3.15	506	452
	(b) Contract liabilities		784	658
	(c) Provisions	3.16	1,315	1,415
	(d) Deferred tax liabilities (net)	3.25	161	112
	(e) Other non-current liabilities	3.17	41	33
	Total non-current liabilities		**6,582**	**8,252**
	(2) Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	3.13	140	62
	(ii) Lease liabilities	3.28(a)	871	699
	(iii) Trade payables			
	Billed	3.14	2,526	2,297
	Unbilled and accruals	3.14	3,902	3,981
	(iv) Others	3.15	5,210	4,796
	(b) Contract liabilities		3,917	3,380
	(c) Other current liabilities	3.18	1,595	1,267
	(d) Provisions	3.16	1,120	955
	(e) Current tax liabilities (net)		2,150	1,338
	Total current liabilities		**21,431**	**18,775**
	TOTAL LIABILITIES		**28,013**	**27,027**
	TOTAL EQUITY AND LIABILITIES		**93,411**	**89,033**
Summary of significant accounting policies		1		

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. : 101248W/W-100022

For and on behalf of the Board of Directors of HCL Technologies Limited

Rakesh Dewan
Partner
Membership Number: 092212

Roshni Nadar Malhotra
Chairperson
DIN - 02346621

C. Vijayakumar
Chief Executive Officer
and Managing Director
DIN - 09244485

S. Madhavan
Director
DIN - 06451889

Prateek Aggarwal
Chief Financial Officer

Goutam Rungta
Corporate Vice President - Finance

Manish Anand
Company Secretary

Gurugram, India
20 April 2023

Noida (UP), India
20 April 2023

Consolidated Statement of Profit and Loss

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

		Note No.	Year ended	
			31 March 2023	31 March 2022
I	**Revenue**			
	Revenue from operations	3.19	101,456	85,651
	Other income	3.20	1,358	1,067
	Total income		**102,814**	**86,718**
II	**Expenses**			
	Purchase of stock-in-trade		2,072	1,473
	Changes in inventories of stock-in-trade	3.21	(67)	(67)
	Employee benefits expense	3.22	55,280	46,130
	Outsourcing costs		14,950	12,515
	Finance costs	3.23	353	319
	Depreciation and amortization expense		4,145	4,326
	Other expenses	3.24	6,593	5,070
	Total expenses		**83,326**	**69,766**
III	**Profit before share of loss of associate and tax**		**19,488**	**16,952**
IV	**Share of loss of an associate**		-	**(1)**
V	**Profit before tax**		**19,488**	**16,951**
VI	**Tax expense**	3.25		
	Current tax		4,665	3,442
	Deferred tax credit		(22)	(14)
	Total tax expense		**4,643**	**3,428**
VII	**Profit for the year**		**14,845**	**13,523**
VIII	**Other comprehensive income (loss)**	3.26		
(A)	(i) Items that will not be reclassified to statement of profit and loss		215	50
	(ii) Income tax relating to items that will not be reclassified to statement of profit and loss		(63)	(13)
(B)	(i) Items that will be reclassified statement of profit and loss		1,067	709
	(ii) Income tax relating to items that will be reclassified to statement of profit and loss		82	11
	Total other comprehensive income, net of tax		**1,301**	**757**
IX	**Total comprehensive income for the year**		**16,146**	**14,280**

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

		Note No.	Year ended	
			31 March 2023	31 March 2022
	Profit for the year attributable to			
	Shareholders of the Company		14,851	13,499
	Non-controlling interest		(6)	24
			14,845	13,523
	Other comprehensive income for the year attributable to			
	Shareholders of the Company		1,301	752
	Non-controlling interest		-	5
			1,301	757
	Total comprehensive income for the year attributable to			
	Shareholders of the Company		16,152	14,251
	Non-controlling interest		(6)	29
			16,146	14,280
	Earnings per equity share of ₹ 2 each	3.27		
	Basic (in ₹)		54.85	49.77
	Diluted (in ₹)		54.79	49.77
Summary of significant accounting policies		1		

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. : 101248W/W-100022

For and on behalf of the Board of Directors of HCL Technologies Limited

Rakesh Dewan
Partner
Membership Number: 092212

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Chairperson
DIN - 02346621

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Chief Executive Officer
and Managing Director
DIN - 09244485

S. Madhavan
Director
DIN - 06451889

Prateek Aggarwal
Chief Financial Officer

Goutam Rungta
Corporate Vice President - Finance

Manish Anand
Company Secretary

Gurugram, India
20 April 2023

Noida (UP), India
20 April 2023

Consolidated Statement of Changes in Equity

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

	Equity share capital		Other equity												
			Reserves and Surplus						Other comprehensive income						
	Number of shares*	Share capital	Retained earnings	Remeasurement of defined benefit plans	Treasury share reserve	Securities premium	Capital redemption reserve	Share based payment reserve	Special economic zone re-investment reserve	Foreign currency translation reserve	Cash flow hedging reserve	Debt instruments through other comprehensive income	Total other equity	Non Controlling Interests	Total Equity
Balance as at 1 April 2021	2,713,665,096	543	54,715	(6)	-	7	14	-	1,695	2,740	183	22	59,370	169	60,082
Profit for the year	-	-	13,499	-	-	-	-	-	-	-	-	-	13,499	24	13,523
Other comprehensive income (refer note 3.26)	-	-	-	37	-	-	-	-	-	450	283	(18)	752	5	757
Total comprehensive income for the year	-	-	13,499	37	-	-	-	-	-	450	283	(18)	14,251	29	14,280
Transactions with owners of the Company															
Contributions and distributions															
Interim dividend of ₹ 42 per Share	-	-	(11,391)	-	-	-	-	-	-	-	-	-	(11,391)	-	(11,391)
Transfer to special economic zone re-investment reserve	-	-	(2,021)	-	-	-	-	-	2,021	-	-	-	-	-	-
Transfer from special economic zone re-investment reserve	-	-	922	-	-	-	-	-	(922)	-	-	-	-	-	-
Acquisition of treasury shares	-	-	-	-	(804)	-	-	-	-	-	-	-	(804)	-	(804)
Share based payments to employees	-	-	-	-	-	-	-	82	-	-	-	-	82	-	82
Changes in ownership interests															
Purchase of non-controlling interest (refer note 2(b)(i))	-	-	(137)	-	-	-	-	-	-	-	-	-	(137)	(105)	(242)
Dividend to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	(2)	(2)
Change in non-controlling interest (refer note 2(b)(ii))	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1
Balance as at 31 March 2022	**2,713,665,096**	**543**	**55,587**	**31**	**(804)**	**7**	**14**	**82**	**2,794**	**3,190**	**466**	**4**	**61,371**	**92**	**62,006**
Balance as at 1 April 2022	2,713,665,096	543	55,587	31	(804)	7	14	82	2,794	3,190	466	4	61,371	92	62,006
Profit for the year	-	-	14,851	-	-	-	-	-	-	-	-	-	14,851	(6)	14,845
Other comprehensive income (refer note 3.26)	-	-	-	152	-	-	-	-	-	1,541	(387)	(5)	1,301	-	1,301
Total comprehensive income for the year	-	-	**14,851**	**152**	-	-	-	-	-	**1,541**	**(387)**	**(5)**	**16,152**	**(6)**	**16,146**
Transactions with owners of the Company															
Contributions and distributions															
Interim dividend of ₹ 48 per Share	-	-	(12,995)	-	-	-	-	-	-	-	-	-	(12,995)	-	(12,995)
Transfer to special economic zone re-investment reserve	-	-	(1,914)	-	-	-	-	-	1,914	-	-	-	-	-	-
Transfer from special economic zone re-investment reserve	-	-	579	-	-	-	-	-	(579)	-	-	-	-	-	-
Share based payments to employees	-	-	-	-	-	-	-	308	-	-	-	-	308	-	308
Issue of treasury shares to employees	-	-	(1)	-	3	-	-	(2)	-	-	-	-	-	-	-
Excess tax benefit from share based payments	-	-	5	-	-	-	-	-	-	-	-	-	5	-	5
Changes in ownership interests															
Change in non-controlling interest (refer note 3.29)	-	-	21	-	-	-	-	-	-	-	-	-	21	(93)	(72)
Balance as at 31 March 2023	**2,713,665,096**	**543**	**56,133**	**183**	**(801)**	**7**	**14**	**388**	**4,129**	**4,731**	**79**	**(1)**	**64,862**	**(7)**	**65,398**

* Includes treasury shares held by the controlled trust (refer note 3.12)

Refer note 1 for summary of significant accounting policies

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. : 101248W/W-100022

Rakesh Dewan
Partner
Membership Number: 092212

Gurugram, India
20 April 2023

For and on behalf of the Board of Directors of HCL Technologies Limited

Roshni Nadar Malhotra
Chairperson
DIN - 02346621

C. Vijayakumar
Chief Executive Officer and Managing Director
DIN - 09244485

S. Madhavan
Director
DIN - 06451889

Prateek Aggarwal
Chief Financial Officer

Goutam Rungta
Corporate Vice President - Finance

Manish Anand
Company Secretary

Noida (UP), India
20 April 2023

Consolidated Statement of Cash Flows

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

		Year ended	
		31 March 2023	31 March 2022
A	**Cash flows from operating activities**		
	Profit before tax	19,488	16,951
	Adjustment for:		
	Depreciation and amortization expense	4,145	4,326
	Interest income	(769)	(583)
	Provision for doubtful debts / bad debts written off (net)	25	21
	Income on investments carried at fair value through profit and loss	(106)	(104)
	Profit on sale of debt securities	-	(10)
	Interest expense	238	225
	Profit on sale of property, plant and equipment (net)	(162)	(15)
	Share based payments to employees	308	81
	Share of loss of an associate	-	1
	Gain on buyback of senior notes	(170)	-
	Other non-cash charges (net)	15	(1)
		23,012	**20,892**
	Net change in		
	Trade receivables	(3,240)	(2,809)
	Inventories	(37)	207
	Other financial assets and other assets	917	219
	Trade payables	(175)	718
	Other financial liabilities, contract liabilities, provisions and other liabilities	1,230	1,116
	Cash generated from operations	**21,707**	**20,343**
	Income taxes paid (net of refunds)	(3,698)	(3,443)
	Net cash flow from operating activities (A)	**18,009**	**16,900**
B	**Cash flows from investing activities**		
	Purchase of property, plant and equipment and intangibles	(1,661)	(1,645)
	Proceeds from sale of property, plant and equipment	217	90
	Payments for business acquisitions, net of cash acquired	(706)	-
	Net cash acquired on business acquisition (refer note 2(b)(ii))	-	40
	Investments in bank deposits	(8,346)	(2,625)
	Proceeds from bank deposits on maturity	4,484	2,866
	Deposits placed with body corporates	(2,602)	(5,478)
	Proceeds from maturity of deposits placed with body corporates	3,208	7,111
	Purchase of investments in securities	(34,620)	(32,574)
	Proceeds from sale/maturity of investments in securities	35,626	33,215
	Investment in limited liability partnership	(3)	(2)
	Investment in equity instruments	-	(1)
	Distribution from limited liability partnership	1	-
	Investment in associate	-	(9)
	Proceeds from return of investment in associate	9	-
	Interest received	636	590
	Income taxes paid	(174)	(101)
	Net cash flow from (used) in investing activities (B)	**(3,931)**	**1,477**
C	**Cash flows from financing activities**		
	Proceeds from long term borrowings	36	25
	Repayment of long term borrowings	(1,884)	(85)
	Proceeds from short term borrowings	88	52
	Repayment of short term borrowings	(88)	(52)
	Payments for deferred and contingent consideration on business acquisitions	(31)	(371)
	Purchase of non-controlling interest	-	(746)
	Acquisition of treasury shares	-	(804)
	Dividend paid	(12,995)	(11,389)
	Dividend paid to non-controlling interests	-	(2)
	Interest paid	(80)	(69)
	Payment of lease liabilities including interest	(927)	(1,067)
	Net cash flow used in financing activities (C)	**(15,881)**	**(14,508)**
	Net increase (decrease) in cash and cash equivalents (A+B+C)	(1,803)	3,869
	Effect of exchange differences on cash and cash equivalents held in foreign currency	358	120
	Cash and cash equivalents at the beginning of the year	10,510	6,521
	Cash and cash equivalents at the end of the year as per note 3.10(a)	**9,065**	**10,510**

Consolidated Statement of Cash Flows

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

Notes:

1. Reconciliation of liabilities arising from financing activities

	Borrowings	Deferred and contingent consideration
Balance as at 1 April 2021	**3,907**	**363**
Cash flows (net)	(60)	(371)
Non cash changes		
Exchange differences (net)	-	5
Translation exchange differences	131	-
Recognized in profit and loss	7	3
Balance as at 31 March 2022	**3,985**	**-**
Balance as at 1 April 2022	**3,985**	**-**
Cash flows (net)	(1,848)	(31)
Non cash changes		
Business combination	-	83
Translation exchange differences	277	2
Recognized in profit and loss	(163)	1
Balance as at 31 March 2023	**2,251**	**55**

2. The total amount of income taxes paid is ₹ 3,872 crores (previous year, ₹ 3,544 crores).

3. Cash and cash equivalents includes investor education and protection fund-unclaimed dividend of ₹ 8 crores (previous year, ₹ 8 crores).

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. : 101248W/W-100022

For and on behalf of the Board of Directors of HCL Technologies Limited

Rakesh Dewan
Partner
Membership Number: 092212

Roshni Nadar Malhotra
Chairperson
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and Managing Director
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Corporate Vice President - Finance

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Company Secretary

Gurugram, India
20 April 2023

Noida (UP), India
20 April 2023

Notes to consolidated financial statements for the year ended 31 March 2023

(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" or "the Parent Company") and its subsidiaries (hereinafter collectively referred to as "the Group") are primarily engaged in providing a range of IT and business services, engineering and R&D services and modernized software products and IP-led offerings. 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 global technology workforce and intellectual properties to deliver solutions across following verticals - Financial Services, Manufacturing, Life Sciences & Healthcare, Public Services, Retail & CPG, Technology & Services and Telecom, Media, Publishing and Entertainment.

The consolidated financial statements for the year ended 31 March 2023 were approved and authorized for issue by the Board of Directors on 20 April 2023.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) *Basis of preparation*

These consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time and presentation requirements of Schedule III (Division II) to the Companies Act, 2013, as applicable to the consolidated financial statements.

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),

(c) Defined benefit plans

The accounting policies adopted in the preparation of these consolidated financial statements are consistent with those of the previous year except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy.

All assets and liabilities have been classified as current and non-current as per the Group's normal operating cycle of 12 months. The statement of cash flows has been prepared under indirect method.

The Group uses the Indian rupee ('₹') as its reporting currency. All amounts are presented in crores of ₹ rounded to whole number and amounts less than ₹ 0.50 crores are presented as "-".

(b) *Basis of consolidation*

The consolidated financial statements comprise the financial statements of HCL Technologies Limited, the Parent Company, and its subsidiaries. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

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.

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. When the Group ceases control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognized in consolidated statement of profit and loss. Any interest retained in the former subsidiary is measured at fair value when control is ceased. 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, but not control or joint control over financial and operating policies. Investments in associates are accounted for using the equity method of accounting, after initially being recognized at cost. The aggregate of the Group's share of profit and loss of an associate is shown on the face of the consolidated statement of profit and loss.

(c) Use of estimates and judgements

The preparation of consolidated financial statements in conformity with Ind AS requires the management to make estimates and judgements 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. Actual results could differ from those estimates. Changes in estimates are reflected in the consolidated financial statements in the year in which the changes are made.

Significant estimates and assumptions are used for, but not limited to,

(i) Accounting for costs expected to be incurred to complete performance under fixed price projects and determination of stand-alone selling prices for each distinct performance obligation in contracts involving multiple performance obligations, refer note 1(g).

(ii) Allowance for uncollectible trade receivables, refer note 1(t)(i).

(iii) Fair value of the consideration transferred (including contingent consideration) and fair value of the assets acquired and liabilities assumed, measured on a provisional basis in case of business combination, refer note 1(d).

(iv) Recognition of income and deferred taxes, refer note 1(i) and note 3.25.

(v) Key actuarial assumptions for measurement of future obligations under employee benefit plans, refer note 1(r) and note 3.31.

(vi) Estimated forfeitures in share-based compensation expense, refer note 1(s).

(vii) Useful lives of property, plant and equipment, refer note 1(j).

(viii) Lives of intangible assets, refer note 1(k).

(ix) Identification of leases and measurement of lease liabilities and right of use assets, refer note 1(n).

(x) Key assumptions used for impairment of goodwill, refer note 1(p) and note 3.2.

(xi) Provisions and contingent liabilities, refer note 1(q) and note 3.34.

(d) Business combinations and goodwill

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, 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. 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 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 at fair value are 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. These 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 and material

Revenue is recognized when, or as, control of a promised service or good transfers to a customer, in an amount that reflects the consideration to which the Group expects to be entitled in exchange for transferring those products or services. To recognize revenues, the following five step approach is applied: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenues when a performance obligation is satisfied. A contract is accounted when it is legally enforceable through executory contracts, approval and commitment from all parties, the rights of the parties are identified, payment terms are defined, the contract has commercial substance and collectability of consideration is probable.

Time-and-material / Volume based / Transaction based contracts

Revenue with respect to time-and-material, volume based and transaction based contracts is recognized as the related services are performed through efforts expended, volume serviced transactions are processed etc. that correspond with value transferred to customer till date which is related to the right to invoice for services performed.

Fixed Price contracts

Revenue related to fixed price contracts where performance obligations and control are satisfied over a period of time like technology integration, complex network building contracts, system implementations and application development are recognized based on progress towards completion of the performance obligation using a cost-to-cost measure of progress (i.e., percentage-of-completion (POC) method of accounting). Revenue is recognized based on the costs incurred to date as a percentage of the total estimated costs to fulfill the contract. Any revision in cost to complete would result in increase or decrease in revenue and such changes are recorded in the period in which they are identified.

Revenue related to other fixed price contracts providing maintenance and support services, are recognized based on the right to invoice for services performed for contracts in which the invoicing is representative of the value being delivered. If invoicing is not consistent with value delivered, revenues are recognized as the service is performed based on the cost to cost method described above.

In arrangements involving sharing of customer revenues, revenue is recognized when the right to receive is established.

Revenue from product sales are shown net of applicable taxes, 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 continues to be in inventory.

Proprietary Software Products

Revenue from distinct proprietary perpetual and term license software is recognized at a point in time at the inception of the arrangement when control transfers to the client. Revenue from proprietary term license software is recognized at a point in time for the committed term of the contract. In case of renewals of proprietary term licenses with existing customers, revenue from term license is recognized at a point in time when the renewal is agreed on signing of contracts. Revenue from support and subscription (S&S) is recognized over the contract term on a straight-line basis as the Company is providing a service of standing ready to provide support, when-and-if needed, and is providing unspecified software upgrades on a when-and-if available basis over the contract term. In case software are bundled with support and subscription either for perpetual or term based license, such support and subscription contracts are generally priced as a percentage of the net fees paid by the customer to purchase the license and are generally recognized as revenues ratably over the contractual period that the support services are provided. Revenue from these proprietary software products is classified under sale of services.

Multiple performance obligation

When a sales arrangement contains multiple performance obligation, such as services, hardware and licensed IPs (software) or combinations of each of them, revenue for each element is based on a five step approach as defined above. To the extent a contract includes multiple promised deliverables, judgment is applied to determine whether promised deliverables are capable of being distinct and are distinct in the context of the contract. If these criteria are not met, the promised deliverables are accounted for as a combined performance obligation. For arrangements with multiple distinct performance obligations or series of distinct performance obligations, consideration is allocated among the performance obligations based on their relative standalone selling price. Standalone selling price is the price at which the Group would sell a promised good or service separately to the customer. When not directly observable, we estimate standalone selling price by using the expected cost plus a margin approach. We establish a standalone selling price range for our deliverables, which is reassessed on a periodic basis or when facts and circumstances change. If the arrangement contains obligations related to License of Intellectual property (Software) or Lease deliverable, the arrangement consideration allocated to the Software deliverables, lease deliverable as a group is then allocated to each software obligation and lease deliverable.

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 certain activities in transition services in outsourcing arrangements are not capable of being distinct or represent separate performance obligation. Revenues relating to such transition activities are classified as Contract liabilities and subsequently recognized over the period of the arrangement. Direct and incremental costs in relation to such transition activities which are expected to be recoverable under the contract and generate or enhance resources of the Company that will be used in satisfying the performance obligation in the future are considered as contract fulfillment costs classified as Deferred contract cost and recognized over the period of arrangement. Certain upfront non-recurring incremental contract acquisition costs and other upfront fee paid to customer are deferred and classified as Deferred contract cost and amortized to revenue or cost, 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 future 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 being group controls the goods or service before it is transferred to customer, latitude in deciding the price being charged to customer. Revenue is recognized net of discounts and allowances, value-added and service taxes, and includes reimbursement of out-of-pocket expenses, with the corresponding out-of-pocket expenses included in cost of revenues.

Volume discounts, or any other form of variable consideration is estimated using either the sum of probability weighted amounts in a range of possible consideration amounts (expected value), or the single most likely amount in a range of possible consideration amounts (most likely amount), depending on which method better predicts the amount of consideration realizable. Transaction price includes variable consideration only to the extent it is probable that a significant reversal of revenues recognized will not occur when the uncertainty associated with the variable consideration is resolved. Our estimates of variable consideration and determination of whether to include estimated amounts in the transaction price may involve judgment and are based largely on an assessment of our anticipated performance and all information that is reasonably available to us.

The Group recognizes an onerous contract provision when the expected unavoidable costs of meeting the future obligations exceed the expected economic benefits to be received under a contract. Such provision, if any, is recorded in the period in which such losses become probable and is included in cost of revenues.

Revenue recognized but not billed to customers is classified either as contract assets or unbilled receivables in the consolidated balance sheet. Contract assets primarily relate to unbilled amounts on those contracts utilizing the cost to cost method of revenue recognition and right to consideration is not unconditional. Contract assets are recognized where there is excess of revenue over the billings. Unbilled receivables represent contracts where right to consideration is unconditional (i.e. only the passage of time is required before the payment is due). A contract liability arises when there is excess billing over the revenue recognized.

Revenue from sales-type 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.

Interest attributable to sales-type leases and direct financing leases included therein is recognized on an accrual basis using the effective interest method and is recognized as other income.

(h) Other income

Other income mainly comprises interest income on debt securities, bank and other deposits, other interest income recognized using the effective interest method, profit on sale of property, plant and equipments, debt securities and mutual fund and net foreign exchange gains.

(i) 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.

Deferred income tax assets and liabilities recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets and liabilities are recognized for those temporary differences which originate during the tax holiday period and 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, the amount of 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, such excess amount of tax deduction and the associated tax benefit is recognized directly in retained earnings.

(j) 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.

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 and networking equipment	4-5
Furniture and fixtures	7
Vehicles	5

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.

(k) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is measured at their fair value at the date of acquisition. Subsequently, following initial recognition, intangible assets are carried at cost less any accumulated amortization and 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	4 to 15
Customer relationships	1 to 10
Customer contracts	0.5 to 3
Technology	4 to 15
Others (includes intellectual property rights, brand and non-compete agreements)	2 to 6

(l) 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

Subsequently, 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.

(m) 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 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.

(n) Leases

A lease is a contract that contains right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

Group is lessee in case of leasehold land, office space, accommodation for its employees & IT equipment. These leases are evaluated to determine whether it contains lease based on principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors as defined in Ind AS 116.

Right-of-use asset represents the Group’s right to control the underlying assets under lease and the lease liability is the obligation to make the lease payments related to the underlying asset under lease. Right-of-use asset is measured initially based on the lease liability adjusted for any initial direct costs, prepaid rent, and lease incentives. Right-of¬use asset is depreciated based on straight line method over the lease term or useful life of right-of-use asset, whichever is less. Subsequently, right-of-use asset is measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of lease liability.

The lease liability is measured at the lease commencement date and determined using the present value of the minimum lease payments not yet paid and the Group's incremental borrowing rate, which approximates the rate at which the Group would borrow, in the country where the lease was executed. The Group has used a single discount rate for a portfolio of leases with reasonably similar characteristics. The lease payment comprises fixed payment less any lease incentives, variable lease payment that depends on an index or a rate, exercise price of a purchase option if the Group is reasonably certain to exercise the option and payment of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease. Lease liability is subsequently measured by increase the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payment made and remeasuring the carrying amount to reflect any reassessment or modification, if any.

The Group has elected to not recognize leases with a lease term of 12 months or less in the consolidated balance sheet, including those acquired in a business combination, and lease costs for those short-term leases are recognized on a straight-line basis over the lease term in the consolidated statement of profit and loss. For all asset classes, the Group has elected the lessee practical expedient to combine lease and non-lease components and account for the combined unit as a single lease component in case there is no separate payment defined under the contract.

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 or contingency is resolved.

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 receivables at an amount equal to the present value of lease receivables. 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 consolidated 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.

When arrangements include multiple performance obligations, the Group allocates the consideration in the contract between the lease components and the non-lease components on a relative standalone selling price basis.

(o) Inventories

Stock-in-trade, stores and spares are valued at the lower of the cost or net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. 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.

(p) Impairment of non-financial assets

Goodwill

Goodwill is tested annually on March 31, for impairment, or sooner 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 recognized under the head “Depreciation and amortization expense” 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.

(q) Provisions and contingent liabilities

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.

The Group uses significant judgement to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognized nor disclosed in the financial statements.

(r) 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, a define contribution plan. 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, equity 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 appointed fund managers 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 ₹ 20 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 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) In certain subsidiaries outside India, the Group provide retirement benefit pension plans in accordance with the local laws. The liability is actuarially determined (using the projected unit credit method) at the end of each year.

(vi) Contributions to other defined contribution plans are recognized as expense when employees have rendered services entitling them to such benefits.

(s) Equity settled share based compensation

Share-based compensation represents the cost related to share-based awards granted to employees. The Company measures share-based compensation cost at grant date, based on the estimated fair value of the award and recognizes the cost on a straight line basis (net of estimated forfeitures) over the employee's requisite service period for an award with only service condition and for an award with both service and performance condition 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. On modification of an equity settled award, the Company re-estimates the fair value of stock option as on the date of modification and any incremental expense is expensed over the period from the modification date till the vesting date.

The Company estimates the fair value of stock options using option pricing model. The cost is recorded under the head employee benefit expense in the consolidated statement of profit or loss with corresponding increase in “Share Based Payment Reserve”.

(t) 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. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Cash and cash equivalents
Cash and cash equivalents in the balance sheet comprise cash in banks and short-term deposits and investments with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purposes of the cash flow statement, cash and cash equivalents are considered net of outstanding bank overdrafts that are repayable on demand and are considered part of the Group’s cash management system. In the consolidated balance sheet, bank overdrafts are presented under borrowings within current liabilities.

Financial assets at amortized cost
A financial asset 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 receivables, trade and other receivables.

Financial assets at Fair Value through Other Comprehensive Income (OCI)
A financial asset is classified and measured at fair value through OCI if both of the following criteria are met:

(i) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

(ii) The asset’s contractual cash flows represent solely payments of principal and interest.

Financial asset 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. Interest income is recognized in statement of profit and loss for debt instruments. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from OCI to statement of profit and loss.

Financial assets at Fair Value through Profit and Loss
Any financial asset, 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 assets 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
All equity instruments are initially measured at fair value and are subsequently re-measured with all changes recognized in the statement of profit and loss. In limited circumstances, investments, for which sufficient, more recent information to measure fair value is not available cost represents the best estimate of fair value within that range.

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 subsequent measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss
Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. Changes in fair value of such liability are recognized in the statement of profit or loss.

Financial liabilities at amortized cost
The Group's financial liabilities at amortized cost, are initially recognized at net of transaction costs and includes 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 forecasted transactions which meet the hedging criteria are designated as cash flow hedges. Changes in the fair value of derivatives (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 other income 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. The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows.

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.

(u) 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. Final and interim dividend excludes dividend on treasury shares.

(v) 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 adjusted for treasury shares held.

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). Performance based stock unit awards are included in dilutive potential shares when they become contingently issuable and have a dilutive impact and are excluded when they are not contingently issuable. 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.

The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for bonus shares.

(w) Nature and purpose of reserves

Remeasurement of defined benefit plans
The Group recognizes actuarial gains/losses on defined benefit plans in the balance sheet with a corresponding debit or credit to other comprehensive income in the period in which they occur.

Treasury share reserve
The Company's equity shares held by a trust, which is consolidated as a part of the Group, are classified as Treasury shares. Treasury shares are carried at acquisition cost and presented as a deduction from total equity as "Treasury share reserve". As and when treasury shares are transferred to employees on exercise after satisfaction of the vesting conditions, the balance lying in "Treasury share reserve" is transferred to "Retained earnings".

Securities premium
Securities premium is used to record the premium on issue of shares. The reserve can be utilized only for limited purposes such as issuance of bonus shares and buyback of shares in accordance with the provisions of the Companies Act, 2013 in India.

Capital redemption reserve
The Group recognizes cancellation of the Group's own equity instruments to capital redemption reserve.

Share based payment reserve
The share-based payment reserve is recognized over the vesting period at the grant date fair value of units issued to employees of the Group under the Company's restricted stock unit plan.

Special economic zone re-investment reserve
The Company has created special economic zone (SEZ) re-investment reserve out of profits of the eligible SEZ Units in terms of the specific provisions of Section 10AA(1) of the Income Tax Act, 1961 ("the Act"). The said reserve needs to be utilized by the Company for acquiring plant and machinery for the purposes of its business in the terms of Section 10AA (2) of the Act for availing tax benefit. Further, during the previous year ended 31 March 2022, utilization also includes additional acquisition of plant and machinery in the business of the Company which was not considered as utilization earlier due to an uncertain tax position which has been settled.

Foreign currency translation reserve
Exchange differences arising on translation of the foreign operations are recognized in other comprehensive income as described in the accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

Cash flow hedging reserve
For hedging foreign currency risk, the Group uses foreign currency forward and option contracts. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognized in the cash flow hedging reserve. Amounts recognized in the cash flow hedging reserve is reclassified to the statement of profit or loss when the hedged item affects profit or loss.

Debt instruments through other comprehensive income
The Group recognizes changes in the fair value of debt instruments held with business objective of collect and sell in other comprehensive income. The Group transfers amounts from this reserve to the statement of profit and loss when the debt instrument is sold.

(x) Adoption of new accounting principles

Onerous contracts – cost of fulfilling a contract (amendment to Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets)

The amendment clarified that the ‘costs of fulfilling a contract’ comprise both the incremental costs and allocation of other direct costs. The Group has adopted this amendment effective 1 April 2022 and the adoption did not have any material impact on its consolidated financial statements.

(y) Recently issued accounting pronouncements

On 31 March 2023, the Ministry of Corporate Affairs (MCA), notified Companies (Indian Accounting Standards) Amendment Rules, 2023 effective from 1 April 2023. Following is key amended provision which may have an impact on the consolidated financial statements of the Group:

Disclosure of accounting policies (amendments to Ind AS 1 - Presentation of Financial Statements)
The amendments intend to assist in deciding which accounting policies to disclose in the financial statements. The amendments to Ind AS 1 require entities to disclose their material accounting policies rather than their significant accounting policies. The amendments provide guidance on how to apply the concept of materiality to accounting policy disclosures. The Group does not expect this amendment to have any significant impact in its consolidated financial statements.

Definition of accounting estimate (amendments to Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors)
The amendments distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its consolidated financial statements.

Deferred tax related to assets and liabilities arising from a single transaction (amendments to Ind AS 12 - Income Taxes)
The amendments specify how to account for deferred tax on transactions such as leases. The amendments clarify that lease transactions give rise to equal and offsetting temporary differences and financial statements should reflect the future tax impacts of these transactions through recognizing deferred tax. The Group is evaluating the impact, if any, in its consolidated financial statements.

2. ACQUISITIONS

(a) Acquisitions in the current year

(i) Acquisition of Starschema Kft

On 14 January 2022, the Group through a wholly owned subsidiary had signed a definitive agreement to acquire 100% shareholding of Starschema, a leading provider of data engineering services, based in Budapest, Hungary for a consideration of ₹ 343 crores payable in cash. Starschema provides consulting, technology and managed services in data engineering to companies in the U.S. and Europe.

The acquisition consummated on 2 April 2022 and the Group has paid ₹ 343 crores.

Total purchase consideration of ₹ 343 crores has been allocated based on management estimates to the acquired assets and liabilities as follows:

	Amount
Net working capital (including cash of ₹ 18 crores)	42
Deferred tax liabilities, net	(7)
Property plant and equipment, net	5
Intangible assets	
Customer relationships	41
Customer contracts	8
Brand	30
Goodwill	224
Total purchase consideration	**343**

The resultant goodwill is non-tax deductible and has been allocated to the Engineering and R&D Services segment. The strategic acquisition will enhance HCL's capability in digital engineering, driven by data engineering and increase its presence in Central and Eastern Europe.

The table below shows the values and lives of intangible assets recognized on acquisition which will be amortized on straight line basis:

	Amount	Life (Years)
Customer relationships	41	4
Customer contracts	8	1
Brand	30	5
Total intangible assets	**79**	

In addition to the purchase consideration, ₹ 20 crores is payable to certain key employees over a two-year period. Payment of this amount is contingent upon these employees continuing to be the employees of the Group on the payment date. This consideration is being accounted for as post acquisition employee compensation expense.

(ii) Acquisition of Confinale AG

On 6 May 2022, the Group through a wholly owned subsidiary had signed a definitive agreement to acquire 100% shareholding of Confinale AG, a digital banking and wealth management consulting specialist and Avaloq Premium Implementation Partner, based in Switzerland for a consideration of ₹ 472 crores payable including contingent consideration of ₹ 79 crores payable which is dependent on achievement of certain specified performance obligations as set out in the agreement to be achieved over a period of two years.

The acquisition consummated on 31 May 2022 and the Group has paid ₹ 401 crores in cash. The Group has subsequently paid contingent consideration amounting to ₹ 27 crores during the year 31 March 2023 on achievement of certain specified performance obligations as set out in the agreement.

The contingent consideration of ₹ 79 crores payable has been initially fair valued at ₹ 71 crores and recorded as part of the purchase consideration. The purchase consideration of ₹ 472 crores after considering fair value of contingent consideration of ₹ 71 crores has been allocated based on management estimates to the acquired assets and liabilities as follows:

	Amount
Net working capital (including cash of ₹ 33 crores)	40
Deferred tax liabilities, net	(28)
Property plant and equipment, net	2
Intangible assets	
Customer relationships	89
Customer contracts	16
Brand	45
Technology	18
Goodwill	290
Total purchase consideration	**472**

The resultant goodwill is non-tax deductible and has been allocated to the IT and Business Services segment. The strategic acquisition will allow HCL to gain market share in a fast growing market in financial services and digital wealth management technology solutions.

The table below shows the values and lives of intangible assets recognized on acquisition which will be amortized on straight line basis:

	Amount	Life (Years)
Customer relationships	89	4
Customer contracts	16	1
Brand	45	6
Technology	18	4
Total intangible assets	**168**	

In addition to the purchase consideration, ₹ 32 crores is payable to certain key employees over a two and half years period. Payment of this amount is contingent upon these employees continuing to be the employees of the Group on the payment date. This consideration is being accounted for as post acquisition employee compensation expense.

(iii) Acquisition of Quest Informatics Private Limited

On 12 July 2022, the Group through a wholly owned subsidiary had signed a definitive agreement to acquire 100% shareholding of Quest Informatics Private Limited (Quest) - an aftermarket, Industry 4.0 and IoT company, based in Bengaluru, India for a consideration of ₹ 42 crores payable in cash. Quest serves global leaders in the aftermarket space with its cloud-enabled aftermarket ERP, field services management, and digital parts catalog product suites.

The acquisition consummated on 12 July 2022 and the Group has paid ₹ 29 crores on acquisition date, ₹ 4 crores has been paid subsequently, and balance is payable based on realization of net assets acquired as per the terms of the agreement.

Total purchase consideration of ₹ 42 crores has been allocated based on management estimates to the acquired assets and liabilities as follows:

	Amount
Net working capital (including cash of ₹ 18 crores)	23
Investments	4
Deferred tax liabilities, net	(2)
Intangible assets – Technology	8
Goodwill	9
Total purchase consideration	**42**

The resultant goodwill is non-tax deductible and has been allocated to the HCL Software segment. This acquisition will help expand HCL's offerings into the fast-growing aftermarket space and the aftermarket solutions and products will be valuable to transportation and manufacturing clients globally in their digital transformation journey.

The acquired technology is estimated to have a life of 5 years which will be amortized on straight line basis.

(b) Acquisitions in the previous year

(i) Acquisition of non-controlling interest in Actian Corporation

In July 2018, the Group and Sumeru Equity Partners (SEP) had acquired Actian Corporation through a joint venture company in which the Group and SEP had 80.4% and 19.6% stake respectively. On 29 December 2021, as per the terms of the joint venture agreement, the Group acquired the balance 19.6% stake held by SEP for a cash consideration of ₹ 746 crores. The total cash consideration of ₹ 746 crores was settled against financial liability of ₹ 504 crores, non-controlling interests of ₹ 105 crores and balance ₹ 137 crores was recognized against retained earnings.

(ii) Acquisition of gbs - Gesellschaft für Banksysteme GmbH (GBS)

In January 2022, the Group through a wholly owned subsidiary acquired 51% shares of GBS for a total purchase consideration of ₹ 1 crore (EUR 99 thousand). This acquisition will add an edge to Group's existing capabilities to accelerate digital transformation and further enhance HCL's scale in Germany.

Purchase consideration of ₹ 1 crore (EUR 99 thousand) allocated to cash and cash equivalent of ₹ 41 crores, net liabilities of ₹ 39 crores and non-controlling interest of ₹ 1 crore (EUR 99 thousand).

(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 2023

	Freehold land	Buildings	Plant and equipment	Office Equipment	Computers and networking equipment	Furniture and fixtures	Vehicles #	Total
Gross block as at 1 April 2022	**78**	**3,442**	**1,946**	**385**	**5,863**	**939**	**143**	**12,796**
Additions	24	73	81	17	955	67	55	**1,272**
Acquisitions through business combinations	-	-	-	-	3	-	1	**4**
Disposals	18	60	96	25	157	84	41	**481**
Translation exchange differences	-	6	21	7	126	30	-	**190**
Gross block as at 31 March 2023	**84**	**3,461**	**1,952**	**384**	**6,790**	**952**	**158**	**13,781**
Accumulated depreciation as at 1 April 2022	**-**	**1,273**	**1,346**	**302**	**3,502**	**694**	**67**	**7,184**
Depreciation	-	173	154	34	1,017	72	28	**1,478**
Disposals/other adjustments	-	51	93	24	130	78	28	**404**
Translation exchange differences	-	4	14	6	106	22	-	**152**
Accumulated depreciation as at 31 March 2023	**-**	**1,399**	**1,421**	**318**	**4,495**	**710**	**67**	**8,410**
Net block as at 31 March 2023	**84**	**2,062**	**531**	**66**	**2,295**	**242**	**91**	**5,371**

Also refer footnote 1 of note 3.13

The changes in the carrying value for the year ended 31 March 2022

	Freehold land	Buildings	Plant and equipment	Office Equipment	Computers and networking equipment	Furniture and fixtures	Vehicles #	Total
Gross block as at 1 April 2021	**78**	**3,263**	**1,859**	**373**	**5,378**	**925**	**144**	**12,020**
Additions	-	208	109	35	1,188	56	39	**1,635**
Disposals	1	31	26	25	747	52	40	**922**
Translation exchange differences	1	2	4	2	44	10	-	**63**
Gross block as at 31 March 2022	**78**	**3,442**	**1,946**	**385**	**5,863**	**939**	**143**	**12,796**
Accumulated depreciation as at 1 April 2021	**-**	**1,136**	**1,219**	**287**	**2,999**	**666**	**71**	**6,378**
Depreciation	-	165	150	37	1,003	70	28	**1,453**
Disposals/other adjustments	-	29	23	23	526	49	32	**682**
Translation exchange differences	-	1	-	1	26	7	-	**35**
Accumulated depreciation as at 31 March 2022	**-**	**1,273**	**1,346**	**302**	**3,502**	**694**	**67**	**7,184**
Net block as at 31 March 2022	**78**	**2,169**	**600**	**83**	**2,361**	**245**	**76**	**5,612**

Also refer footnote 1 of note 3.13

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

3.2 Goodwill

The following table presents the changes in the carrying value of goodwill based on identified CGUs, for the year ended 31 March 2023

	IT and Business Services	Engineering and R&D services	HCL Software	Total
Opening balance as at 1 April 2022	6,716	2,899	7,802	17,417
Acquisitions through business combinations	290	224	9	523
Translation exchange differences	361	68	198	627
Closing balance as at 31 March 2023	**7,367**	**3,191**	**8,009**	**18,567**

The following table presents the changes in the carrying value of goodwill based on identified CGUs, for the year ended 31 March 2022

	IT and Business Services	Engineering and R&D services	HCL Software	Total
Opening balance as at 1 April 2021	6,595	2,878	7,719	17,192
Measurement period adjustments	10	-	-	10
Translation exchange differences	111	21	83	215
Closing balance as at 31 March 2022	**6,716**	**2,899**	**7,802**	**17,417**

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the CGU, which benefits from the synergies of the acquisition.

Goodwill is tested annually on March 31, for impairment, or sooner whenever there is an indication that goodwill may be impaired. Impairment is recognized, when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The estimated value-in-use of the CGU is based on the future cash flow forecasts for 5 to 7 years and then on perpetuity on the basis of certain assumptions which include 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 March 2023	31 March 2022
Revenue growth rate (average of next 5 to 7 years) (%)	(0.5) to 8.0	(2.3) to 9.6
Terminal revenue growth rate (%)	(3.7) to 2.0	(5.0) to 2.0
Pre-tax discount rate (%)	12.1 to 15.7	9.9 to 14.0

As at 31 March 2023 and 31 March 2022 the estimated recoverable amount of each CGU exceeded the carrying amount and accordingly, no impairment was recognized. An analysis of the sensitivity of the computation to a change in key assumptions based on reasonable probability did not identify any probable scenario in which the recoverable amount of the CGUs would decrease below the carrying amount.

3.3 Other intangible assets

The changes in the carrying value for the year ended 31 March 2023

	Software	Licensed IPRs	Customer relationships	Customer contracts	Technology	Others	Total
Gross block as at 1 April 2022	**901**	**5,745**	**7,614**	**181**	**3,015**	**115**	**17,571**
Additions	136	-	43	14	-	-	**193**
Acquisitions through business combinations	3	-	130	24	26	75	**258**
Disposals / other adjustments	3	68	128	122	-	14	**335**
Translation exchange differences	21	67	75	11	40	5	**219**
Gross block as at 31 March 2023	**1,058**	**5,744**	**7,734**	**108**	**3,081**	**181**	**17,906**
Accumulated amortization and impairment as at 1 April 2022	**811**	**2,588**	**3,098**	**163**	**1,118**	**50**	**7,828**
Amortization	97	477	896	54	401	30	**1,955**
Disposals / other adjustments	3	61	128	122	-	14	**328**
Translation exchange differences	12	27	34	9	23	2	**107**
Accumulated amortization and impairment as at 31 March 2023	**917**	**3,031**	**3,900**	**104**	**1,542**	**68**	**9,562**
Net block as at 31 March 2023	**141**	**2,713**	**3,834**	**4**	**1,539**	**113**	**8,344**
Estimated remaining useful life (in years)	3	10	6	1	6	5	

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

The changes in the carrying value for the year ended 31 March 2022

	Software	Licensed IPRs	Customer relationships	Customer contracts	Technology	Others	Total
Gross block as at 1 April 2021	**906**	**6,029**	**7,487**	**163**	**3,000**	**114**	**17,699**
Additions	59	69	103	15	-	-	**246**
Disposals / other adjustments	71	376	-	-	-	-	**447**
Translation exchange differences	7	23	24	3	15	1	**73**
Gross block as at 31 March 2022	**901**	**5,745**	**7,614**	**181**	**3,015**	**115**	**17,571**
Accumulated amortization and impairment as at 1 April 2021	**755**	**2,154**	**1,998**	**123**	**739**	**29**	**5,798**
Amortization	114	564	1,091	37	372	21	**2,199**
Disposals / other adjustments	63	136	-	-	-	-	**199**
Translation exchange differences	5	6	9	3	7	-	**30**
Accumulated amortization and impairment as at 31 March 2022	**811**	**2,588**	**3,098**	**163**	**1,118**	**50**	**7,828**
Net block as at 31 March 2022	**90**	**3,157**	**4,516**	**18**	**1,897**	**65**	**9,743**
Estimated remaining useful life (in years)	3	11	7	2	7	4	

3.4 Investments

	As at	
	31 March 2023	**31 March 2022**
(a) Investment in associate accounted for using the equity method		
Nil (31 March 2022, 1,250,000 Series A Preferred Stock of USD 0.0001 each fully paid up, in Austin GIS, Inc.) (unquoted)	-	9
(b) Financial assets		
Non - current		
Unquoted investments		
Carried at fair value through profit and loss		
Equity instruments	31	30
Investment in limited liability partnership	79	73
	110	**103**
Current		
Quoted investments		
Carried at fair value through other comprehensive income		
Investment in debt securities	3,601	3,783
Unquoted investments		
Carried at fair value through profit and loss		
Investment in mutual funds	1,784	2,456
	5,385	**6,239**
Total investments - financial assets	**5,495**	**6,342**
Aggregate amount of quoted investments	3,601	3,783
Aggregate amount of unquoted investments	1,894	2,559
Market value of quoted investments	3,601	3,783
Investment carried at fair value through other comprehensive income	3,601	3,783
Investment carried at fair value through profit and loss	1,894	2,559

3.5 Trade receivables

(a) Non-current

	As at	
	31 March 2023	**31 March 2022**
Unbilled receivables	681	1,072
	681	**1,072**

(b) Current

	As at	
	31 March 2023	**31 March 2022**
Billed		
Unsecured, considered good (refer note below)	19,949	15,839
Trade receivables - credit impaired	89	84
	20,038	**15,923**
Impairment allowance for bad and doubtful debts (refer note 3.29(c))	(466)	(447)
	19,572	**15,476**
Unbilled receivables	5,934	5,195
	25,506	**20,671**

Note: Includes receivables from related parties amounting to ₹ 2 crores (31 March 2022, ₹ 10 crores)

Trade receivables - current	Not Due	Outstanding as at 31 March 2023 from the due date of payment					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed - considered good	15,734	3,521	367	108	45	174	19,949
Undisputed - credit impaired	1	6	16	2	3	6	34
Disputed - credit impaired	-	1	1	22	1	30	55
	15,735	3,528	384	132	49	210	20,038
Impairment allowance for bad and doubtful debts							(466)
							19,572
Unbilled receivables							5,934
							25,506

Trade receivables - current	Not Due	Outstanding as at 31 March 2022 from the due date of payment					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed - considered good	12,912	2,225	305	113	83	201	15,839
Undisputed - credit impaired	-	2	-	12	18	9	41
Disputed - credit impaired	-	-	20	2	1	20	43
	12,912	2,227	325	127	102	230	15,923
Impairment allowance for bad and doubtful debts							(447)
							15,476
Unbilled receivables							5,195
							20,671

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

3.6 Loans

	As at	
	31 March 2023	**31 March 2022**
Non - current		
Carried at amortized cost		
Unsecured, considered good		
Inter corporate deposits	-	200
	-	**200**
Current		
Carried at amortized cost		
Unsecured, considered good		
Inter corporate deposits	2,602	3,008
Loans to employees	1	-
	2,603	**3,008**

3.7 Other financial assets

	As at	
	31 March 2023	**31 March 2022**
Non - current		
Carried at amortized cost		
Finance lease receivables (refer note 3.28(b))	682	767
Security deposits	142	150
Security deposits - related parties (refer note 3.32)	14	14
Bank deposits with more than 12 months maturity	378	1
	1,216	**932**
Carried at fair value through other comprehensive income		
Unrealized gain on derivative financial instruments (refer note 3.29(a))	63	288
	1,279	**1,220**
Current		
Carried at amortized cost		
Finance lease receivables (refer note 3.28(b))	570	788
Interest receivable	281	210
Security deposits	63	53
Security deposits - related parties (refer note 3.32)	10	8
Others	83	166
	1,007	**1,225**
Carried at fair value through other comprehensive income		
Unrealized gain on derivative financial instruments (refer note 3.29(a))	79	287
Carried at fair value through profit and loss		
Unrealized gain on derivative financial instruments (refer note 3.29(a))	34	8
	1,120	**1,520**

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

3.8 Inventories

	As at	
	31 March 2023	31 March 2022
Stock-in-trade	228	161
	228	**161**

3.9 Other non- current assets

	As at	
	31 March 2023	31 March 2022
Unsecured, considered good		
Capital advances	12	33
Advances other than capital advances		
Security deposits	37	39
Others		
Prepaid expenses	246	242
Deferred contract cost (refer note 3.19)	1,551	1,688
Others	7	4
	1,853	**2,006**

3.10 Cash and cash equivalents and other bank balances

	As at	
	31 March 2023	31 March 2022
(a) Cash and cash equivalents		
Balance with banks	5,207	7,645
Deposits with original maturity of less than 3 months (including deposits with corporations and financial institutions with original maturity less than 3 months)	3,790	2,720
Remittances in transit	20	137
Cheques in hand	40	-
Unclaimed dividend account	8	8
	9,065	**10,510**
(b) Other bank balances		
Deposits with remaining maturity up to 12 months	5,659	2,126

3.11 Other current assets

	As at	
	31 March 2023	31 March 2022
Unsecured, considered good		
Advances other than capital advances		
Security deposits	69	51
Advances to employees	47	29
Advances to suppliers	104	113
Others		
Prepaid expenses	1,645	1,475
Deferred contract cost (refer note 3.19)	941	865
Contract assets	629	483
Other advances	381	556
	3,816	**3,572**

	As at	
	31 March 2023	31 March 2022
Unsecured, considered doubtful		
Advances other than capital advances		
Advances to employees	100	49
Other advances	25	32
Less: provision for doubtful advances	(125)	(81)
	-	-
	3,816	**3,572**

3.12 Equity share capital

	As at	
	31 March 2023	31 March 2022
Authorized		
3,017,000,000 (31 March 2022, 3,017,000,000) equity shares of ₹ 2 each	603	603
Issued, subscribed and fully paid up		
2,713,665,096 (31 March 2022, 2,713,665,096) equity shares of ₹ 2 each	543	543

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 2023		31 March 2022	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
Number of shares at the beginning	2,713,665,096	543	2,713,665,096	543
Number of shares at the end	2,713,665,096	543	2,713,665,096	543

The Company does not have any holding / ultimate holding company.

Reconciliation of the number of treasury shares held by controlled trust at the end of the financial year

	No. of shares	
	As at	
	31 March 2023	31 March 2022
Number of shares at the beginning	6,320,000	-
Add: Acquisition of shares by the Trust	-	6,320,000
Less: Issue of treasury shares to employees on exercise of RSUs	(19,847)	-
Number of shares at the end	6,300,153	6,320,000

(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 2023		31 March 2022	
	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	1,198,549,941	44.17%	1,191,720,742	43.92%
HCL Holdings Private Limited	446,662,032	16.46%	446,662,032	16.46%

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.

Details of promoters holding in the company is as follows

Promoter name	31 March 2023		31 March 2022		% change during the year
	No. of Shares	% of total shares	No. of Shares	% of total shares	
Vama Sundari Investments (Delhi) Private Limited	1,198,549,941	44.17%	1,191,720,742	43.92%	0.25%
HCL Holdings Private Limited	446,662,032	16.46%	446,662,032	16.46%	0.00%
HCL Corporation Private Limited	4,593,104	0.17%	4,593,104	0.17%	0.00%
Kiran Nadar Museum of Art	-	0.00%	4,131,914	0.15%	-0.15%
Ms. Kiran Nadar	494,602	0.02%	494,602	0.02%	0.00%
Mr. Shiv Nadar	736	0.00%	736	0.00%	0.00%
Ms. Roshni Nadar Malhotra	696	0.00%	696	0.00%	0.00%
	1,650,301,111	**60.81%**	**1,647,603,826**	**60.72%**	**0.10%**

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 2023	31 March 2022
Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash	Nil	Nil
Aggregate number and class of shares allotted as fully paid up by way of bonus shares	1,356,832,548 Equity shares	1,356,832,548 Equity shares
Aggregate number and class of shares bought back	36,363,636 Equity shares	71,363,636 Equity shares

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 20 years. The Group determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements have been generally met through operating cash flows generated. The Company has also taken borrowings to meet local funding requirements in certain foreign subsidiaries.

Restricted Stock Unit Plan 2021 ("RSU 2021" or "Plan")

In November 2021, the Company instituted the Restricted Stock Unit Plan 2021 to provide equity-based incentives to all eligible employees of the Company and its subsidiaries. The Plan is administered by the Nomination and Remuneration Committee (NRC) of the Company through a controlled Trust. A maximum of 11,100,000 Restricted stock units (RSU) may be granted under the Plan. Each RSU granted under the plan entitles the holder to one equity share of the Company at an exercise price, which is approved by the Nomination and Remuneration Committee.

NRC granted RSUs to the eligible employees of the Company and its subsidiaries under the Plan. Subsequent to this grant, the Trust acquired shares from secondary market for the purpose of implementation of the Plan.

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

A summary of the general terms of grants under RSU 2021 plan is as below:

	RSU Plan 2021
Maximum number of RSUs under the plan	11,100,000
Method of settlement (cash / equity)	Equity
Vesting period (maximum)	5 years
Exercise period from the date of vesting (maximum)	6 months

Each RSU granted under the above plan entitles the holder to one equity share of the Company at an exercise price of ₹ 2.

The details of activity under the plan has been summarized below:

	Year ended			
	31 March 2023		31 March 2022	
	No. of RSUs	Weighted average exercise price (₹)	No. of RSUs	Weighted average exercise price (₹)
Outstanding at the beginning of the year	7,765,791	2	-	-
Add: Granted during the year	726,164	2	7,956,616	2
Less: Forfeited during the year	(718,540)	-	(190,825)	-
Less: Exercised during the year	(19,847)	2	-	-
RSUs outstanding at the end of the year	7,753,568	2	7,765,791	2
RSUs exercisable at the end of the year	137,537	2	-	-

Total number of RSUs granted include 1,524,526 (31 March 2022, 1,476,879) performance based RSUs, including those linked to relative performance parameters against select industry peers, given to certain senior employees. Number of shares expected to vest will be based on actual performance for each of the performance parameters. All other RSUs will vest if the employee continues to be in service on the roles of the Company or its subsidiaries on the vesting date.

Outstanding performance based RSUs includes 282,008 (31 March 2022, 356,383) RSUs granted for which performance targets will be finalized and communicated in subsequent years. Cost for these RSUs will be accounted from date of finalization of performance targets.

The details of exercise price for RSUs outstanding is as below:

Name of the plan	Exercise price (₹)	Number of RSUs outstanding	Weighted average remaining contractual life of RSUs (in years)
Restricted Stock Unit Plan 2021			
At 31 March 2023	2	7,753,568	1.4
At 31 March 2022	2	7,765,791	2.3

The fair value of the awards are determined using the Black-Scholes Model for RSUs with time and non-market performance-based vesting conditions and Monte Carlo simulation model is used for RSUs with market performance based vesting conditions. The inputs to the model include the share price at date of grant, exercise price, expected volatility, expected dividends, expected term and the risk-free rate of interest. Expected volatility during the term of the RSUs is based on historical volatility of the observed market prices of the Company's publicly traded equity shares during a period equivalent to the expected term of the RSUs. Expected volatility of the selected industry peers have been modelled based on historical movements in the market prices of their publicly traded equity shares during a period equivalent to the expected term of the RSUs. Correlation coefficient is calculated between each peer entity based on the historical weekly share prices of the companies.

Notes to consolidated financial statements for the year ended 31 March 2023
(All amounts in crores of ₹, except share data and as stated otherwise)

The fair value of each equity-settled award granted during the year is estimated on the date of grant using the following assumptions:

	Year ended	
	31 March 2023	31 March 2022
Weighted average fair value (₹)	922	1,046
Weighted average share price (₹)	1,048	1,171
Exercise Price (₹)	2	2
Expected Volatility (%)	25.7 - 33.6	24.8 - 34.4
Life of the units granted (vesting and exercise period) in years	1.3 - 3.9	1.3 - 3.8
Expected dividends (%)	3.6 - 5.1	3.4
Average risk-free interest rate (%)	4.9 - 7.1	4.2 - 5.4

The expected life of the RSU is estimated based on the vesting term and contractual term of the RSU, as well as expected exercise behavior of the employee who receives the RSU.

3.13 Borrowings

	Non-current		Current	
	As at		As at	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Long term borrowings				
Secured				
Term loans from banks (refer note 1 below)	40	33	19	17
Unsecured				
Senior notes (refer note 2 below)	2,060	3,759	-	-
Term loans from banks (refer note 3 below)	11	131	121	45
	2,111	**3,923**	**140**	**62**
Less: Current maturities of long term borrowings	-	-	(140)	(62)
	2,111	**3,923**	**-**	**-**
Short term borrowings				
Unsecured				
Current maturities of long term borrowings	-	-	140	62
	-	**-**	**140**	**62**

Note:

1. The Group has term loans of ₹ 59 crores (31 March 2022, ₹ 50 crores) secured against gross block of vehicles of ₹ 142 crores (31 March 2022, ₹ 127 crores) at interest rates ranging from 7.45% p.a. to 9.15% p.a. (31 March 2022, 7.70% p.a. to 9.15% p.a.). The loans are repayable over a period of 3 to 5 years on a monthly basis.

2. On 10 March 2021, the Group issued unsecured senior notes of USD 500 million (the "notes") for ₹ 3,656 crores. The notes bear interest at a rate of 1.375% per annum and will mature on 10 March 2026. Interest on the notes will be paid semi-annually on 10 March and 10 September of each year. The notes are listed on Singapore Exchange Securities Trading Limited (SGX-ST). The notes were issued at the discount price of 99.510% against par value and have an effective interest rate of 1.58% p.a. after considering the issue expenses and discount of ₹ 37 crores.

   On 21 February 2023, the Group bought back USD 248 million senior notes (carried at USD 246 million, net of issue expenses and discount) for USD 225 million (₹ 1,814 crores). The resulting gain of USD 21 million (₹ 170 crores) on derecognition of senior notes has been recognized in "other income".

3. An unsecured long term loan of ₹ 132 crores (31 March 2022, ₹ 176 crores) borrowed from banks at interest rates ranging from 8.35% p.a. to 8.70% p.a. (31 March 2022, 7.0% p.a.). The scheduled principal repayments of term loans are as follows:

	As at	
	31 March 2023	31 March 2022
Within one year	121	45
One to two years	11	121
Two to three years	-	10
	132	**176**

3.14 Trade payables - current

	As at	
	31 March 2023	31 March 2022
Trade payables	2,516	2,293
Trade payables-related parties (refer note 3.32)	10	4
	2,526	2,297
Unbilled and accruals	3,875	3,967
Unbilled and accruals-related parties (refer note 3.32)	27	14
	3,902	3,981
	6,428	**6,278**

Particulars	Not Due	Outstanding as at 31 March 2023 from the due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed	2,415	107	1	-	1	2,524
(ii) Disputed	-	-	-	1	1	2
	2,415	107	1	1	2	2,526
Unbilled and accruals						3,902
						6,428

Particulars	Not Due	Outstanding as at 31 March 2022 from the due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed	2,175	105	12	4	-	2,296
(ii) Disputed	-	-	-	-	1	1
	2,175	105	12	4	1	2,297
Unbilled and accruals						3,981
						6,278

Relationship with Struck off companies

Name of the struck off Company	Nature of Transactions	Relationship	Year ended			
			31 March 2023		31 March 2022	
			Transaction	Balance outstanding	Transaction	Balance outstanding
Techphilic Private Limited	Payables	Vendor	-	-	-*	-
Divine Right Elevators Pvt. Ltd.	Payables	Vendor	-	-	-*	-*
Zarunodaya Electromechanical Pvt. Ltd.	Payables	Vendor	-*	-	-	-
Rushabhdev Commodities Broking	Receivables	Customer	-*	-	-	-
SRV Commodities Pvt. Ltd.	Receivables	Customer	-*	-	-	-
Mountain Valley Sprrings Pvt. Ltd.	Receivables	Customer	-*	-	-	-

* amounts are less than 0.50 crores

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

3.15 Other financial liabilities

	As at	
	31 March 2023	31 March 2022
Non - current		
Carried at amortized cost		
Employee bonuses accrued	20	48
Capital accounts payables	305	404
Others	72	-
	397	452
Carried at fair value through other comprehensive income		
Unrealized loss on derivative financial instruments [refer note 3.29(a)]	15	-
Carried at fair value through profit and loss		
Others	94	-
	94	-
	506	**452**
Current		
Carried at amortized cost		
Interest accrued but not due on borrowings	3	4
Unclaimed dividends	8	8
Deferred consideration	8	-
Accrued salaries and benefits		
Employee bonuses accrued	2,688	2,455
Other employee costs	1,579	1,374
Others		
Liabilities towards customer contracts	350	257
Capital accounts payables	447	622
Capital accounts payables-related parties (refer note 3.32)	-	1
Others	66	48
	5,149	4,769
Carried at fair value through other comprehensive income		
Unrealized loss on derivative financial instruments [refer note 3.29(a)]	6	-
Carried at fair value through profit and loss		
Unrealized loss on derivative financial instruments [refer note 3.29(a)]	8	27
Contingent consideration	47	-
	55	27
	5,210	**4,796**

3.16 Provisions

	As at	
	31 March 2023	31 March 2022
Non-current		
Provision for employee benefits		
Provision for gratuity (refer note 3.31)	645	694
Provision for pension (refer note 3.31)	117	140
Provision for leave benefits	553	581
	1,315	**1,415**
Current		
Provision for employee benefits		
Provision for gratuity (refer note 3.31)	184	143
Provision for pension (refer note 3.31)	3	3
Provision for leave benefits	830	809
Other provisions	103	-
	1,120	**955**

3.17 Other non-current liabilities

	As at	
	31 March 2023	31 March 2022
Other deposits	41	33
	41	**33**

3.18 Other current liabilities

	As at	
	31 March 2023	31 March 2022
Advances received from customers	252	222
Withholding and other taxes payable	1,343	1,045
	1,595	**1,267**

3.19 Revenue from operations

	Year ended	
	31 March 2023	31 March 2022
Sale of services	99,024	83,889
Sale of hardware and software	2,432	1,762
	101,456	**85,651**

Disaggregate revenue information

Revenue disaggregation as per geography has been included in segment information (Refer note 3.30).

Remaining performance obligations

Remaining performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc). As at 31 March 2023, the aggregate amount of transaction price allocated to remaining performance obligation as per the requirements of Ind AS 115 was ₹ 99,607 crores (31 March 2022, ₹ 84,053 crores) out of which, approximately 39% (31 March 2022, 41%) is expected to be recognized as revenues within one year and the balance beyond one year. These amounts are not adjusted for variable consideration allocated to remaining performance obligation, which are not probable. These amounts also exclude contracts for which we recognize revenues based on the right to invoice for services performed and contracts where consideration is in the form of a sales-based or usage-based royalty promised in exchange for a license of intellectual property.

Contract balances

Contract assets : Out of ₹ 629 crores contract assets as on 31 March 2023, ₹ 6 crore pertains to the period prior to 31 March 2022 and the balance pertains to current year.

Contract liabilities :

The below table discloses the movement in balances of contract liabilities :

	Year ended	
	31 March 2023	31 March 2022
Balance as at beginning of the year	4,038	3,594
Additional amounts billed but not recognized as revenue	3,120	2,193
Deduction on account of revenues recognized during the year	(2,617)	(1,772)
Translation exchange differences	160	23
Balance as at end of the year	**4,701**	**4,038**

Deferred contract cost: Deferred contract cost primarily represents the contract fulfilment cost and cost for obtaining the contract.

The below table discloses the movement in balance of deferred contract cost:

	Year ended	
	31 March 2023	31 March 2022
Balance as at beginning of the year	2,553	2,095
Additional cost capitalized during the year	711	1,039
Deduction on account of cost amortized during the year	(895)	(613)
Translation exchange differences	123	32
Balance as at end of the year	**2,492**	**2,553**

Reconciliation of revenue recognised with the contracted price is as follows:

	Year ended	
	31 March 2023	31 March 2022
Contracted price	102,251	86,416
Reduction towards variable consideration components	(795)	(765)
Revenue recognised	**101,456**	**85,651**

The reduction towards variable consideration comprises of volume discounts, service level credits, etc.

3.20 Other income

	Year ended	
	31 March 2023	31 March 2022
Interest income		
- On debt securities	193	190
- On bank and other deposits	502	289
- On income tax refund	6	4
- On others	68	101
Profit on sale of debt securities	-	10
Income on investments carried at fair value through profit and loss		
- Unrealized gains on fair value changes on mutual funds	7	1
- Profit on sale of mutual funds	103	93
- Share of profit in limited liability partnership	(2)	14
- Unrealized (loss) on fair value changes on equity instruments	(2)	(4)
Profit on sale of property, plant and equipments (net) (refer note below)	162	15
Exchange differences (net)	91	328
Gain on buyback of senior notes (refer note 3.13)	170	-
Miscellaneous income	60	26
	1,358	**1,067**

Note : Net of loss on sale of property, plant and equipments of ₹ 5 crores (previous year ₹ 9 crores).

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

3.21 Changes in inventories of stock-in-trade

	Year ended	
	31 March 2023	31 March 2022
Opening stock	161	94
Less : Closing stock	228	161
	(67)	**(67)**

3.22 Employee benefits expense

	Year ended	
	31 March 2023	31 March 2022
Salaries, wages and bonus	48,717	40,494
Contribution to provident fund and other employee funds	6,041	5,382
Share based payments to employees	308	81
Staff welfare expenses	214	173
	55,280	**46,130**

3.23 Finance costs

	Year ended	
	31 March 2023	31 March 2022
Interest		
-on loans from banks	26	11
-on senior notes	60	59
-on lease liabilities	103	111
-on direct taxes	49	44
-others	85	22
Fair value changes on liabilities carried at fair value through profit and loss	1	48
Bank charges	29	24
	353	**319**

3.24 Other expenses

	Year ended	
	31 March 2023	31 March 2022
Rent (refer note 3.28)	67	70
Power and fuel	328	291
Insurance	109	109
Repairs and maintenance		
- Plant and equipment	124	120
- Buildings	155	110
- Others	485	396
Communication costs	502	466
Travel and conveyance	1,235	555
Legal and professional charges	547	539
Software license fee	1,037	916
Rates and taxes	227	127
Recruitment, training and development	552	517
Expenditure toward corporate social responsibility activities	240	219
Provision for doubtful debts / bad debts written off (net)	25	21
Others	960	614
	6,593	**5,070**

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

3.25 Income taxes

	Year ended	
	31 March 2023	**31 March 2022**
Income tax charged to statement of profit and loss		
Current income tax charge	4,665	3,442
Deferred tax credit	(22)	(14)
	4,643	**3,428**
Income tax charged to other comprehensive income		
Expense (benefit) on re-measurements of defined benefit plans	63	13
Expense (benefit) on revaluation of cash flow hedges	(79)	(2)
Expense (benefit) on unrealized gain (loss) on debt instruments	(3)	(9)
	(19)	**2**

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 March 2023	**31 March 2022**
Profit before tax	19,488	16,951
Statutory tax rate in India	34.94%	34.94%
Expected tax expense	6,810	5,923
Tax effect of adjustments to reconcile expected tax expense to reported tax expense		
Non-taxable export income	(1,791)	(1,702)
Non-taxable other income	(37)	(40)
Provision (reversal) due to settlement of uncertain tax positions and prior period provisions	7	(431)
Differences between Indian and foreign tax rates	(416)	(340)
Others (net)	70	18
Total taxes	**4,643**	**3,428**
Effective income tax rate	**23.82%**	**20.22%**

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 1 April 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 the year of commencement of operations and 50% of such profits and gains for the next five years. Certain tax benefits are also available for a further period of five years subject to meeting reinvestment conditions. The aforesaid tax benefits will not be available to units having commenced the operations after 31 March 2021.

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 2035.

In India, Corporate taxpayers can opt for a specified lower tax rate in lieu of current applicable tax rate subject to taxpayers not claiming any specified tax incentives including tax incentives available to special economic zone units and carryover of unutilized MAT credit ('new tax regime'). The Company will opt for new tax regime in the year new tax regime is beneficial to the Company.

The tax returns are subject to examination by the tax authorities in the jurisdictions where the Group conducts business. The Group's two major tax jurisdictions are India and USA. Tax examination is open in USA for tax years beginning 1 April 2017 onwards and for India, regular tax examination is open for tax years beginning April 1, 2019 and certain matters relating to prior years for which the tax assessment has already got concluded are subject to ongoing litigations, appeals and reassessment proceedings. There are significant inter-company transactions with USA and UK. The Company has also filed for bilateral advance pricing agreements in certain jurisdictions starting from 1 April 2017 for which the resolutions are yet to be reached. These may result in assessment of additional taxes that may need to be resolved with the authorities or through legal proceedings. Resolution of these matters involves some degree of uncertainty; accordingly, the Group recognizes income tax liability that it believes will ultimately result from the proceedings.

Components of deferred tax assets and liabilities as on 31 March 2023

	Opening balance	Recognized in profit and loss	Recognized in / reclassified from OCI	Acquisitions	Recognized directly in equity against tax liability	Exchange difference	Closing balance
Deferred tax assets							
Business losses	56	-	-	-	-	3	59
MAT credit entitlement	2,369	(273)	-	-	-	-	2,096
Provision for doubtful debts	124	5	-	-	-	3	132
Accrued employee costs	967	98	(63)	-	-	32	1,034
Property, plant and equipment	21	10	-	-	-	-	31
Employee stock compensation	15	60	-	-	5	1	81
Others	437	73	-	-	-	16	526
Gross deferred tax assets (A)	**3,989**	**(27)**	**(63)**	**-**	**5**	**55**	**3,959**
Deferred tax liabilities							
Property, plant and equipment	187	(14)	-	-	-	5	178
Unrealized gain on derivative financial instruments	96	-	(79)	-	-	-	17
Intangibles and goodwill	2,473	(63)	-	40	-	15	2,465
Others	169	28	(3)	-	-	14	208
Gross deferred tax liabilities (B)	**2,925**	**(49)**	**(82)**	**40**	**-**	**34**	**2,868**
Net deferred tax assets (A-B)	**1,064**	**22**	**19**	**(40)**	**5**	**21**	**1,091**

Components of deferred tax assets and liabilities as on 31 March 2022

	Opening balance	Recognized in profit and loss	Recognised in / reclassified from OCI	Acquisitions	Exchange difference	Closing balance
Deferred tax assets						
Business losses	38	18	-	-	-	56
MAT credit entitlement	2,253	116	-	-	-	2,369
Provision for doubtful debts	127	(4)	-	-	1	124
Accrued employee costs	951	(34)	(13)	-	63	967
Property, plant and equipment	19	2	-	-	-	21
Employee stock compensation	-	14	-	-	1	15
Others	431	42	-	-	(36)	437
Gross deferred tax assets (A)	**3,819**	**154**	**(13)**	**-**	**29**	**3,989**
Deferred tax liabilities						
Property, plant and equipment	161	23	-	-	3	187
Unrealized gain on derivative financial instruments	98	-	(2)	-	-	96
Intangibles and goodwill	2,352	116	-	-	5	2,473
Others	174	1	(9)	-	3	169
Gross deferred tax liabilities (B)	**2,785**	**140**	**(11)**	**-**	**11**	**2,925**
Net deferred tax assets (A-B)	**1,034**	**14**	**(2)**	**-**	**18**	**1,064**

The Company's subsidiaries have recognized deferred tax assets on carry forward business losses which can be utilized against profits within the limit and carryover period permitted under laws of respective jurisdictions. Deferred tax assets primarily related to carried forward losses and other temporary differences for certain subsidiaries amounting to ₹ 111 crores (31 March 2022, ₹ 84 crores) was not recognized as per applicable accounting standards. These tax losses can be carried forward for an indefinite period except for tax losses amounting to ₹ 36 crores (31 March 2022, ₹ 17 crores) which will expire by 31 March 2031 (previous year, 31 March 2030).

Above tables represent the Gross deferred tax assets and liabilities. Amounts of deferred tax assets and liabilities presented in consolidated balance sheet have been offset, wherever the Group has legally enforceable right and it is related to same taxable authority.

Undistributed earnings of the subsidiaries aggregate approximately ₹ 21,388 crores (31 March 2022, ₹ 17,369 crores). The Group has the intent to reinvest the undistributed foreign earnings indefinitely in its significant overseas operations or repatriate only to the extent these can be distributed in a tax free manner. Consequently, the Company did not record a deferred tax liability on the undistributed earnings.

Notes to consolidated financial statements for the year ended 31 March 2023
(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

		Year ended	
		31 March 2023	31 March 2022
A	**Items that will not be reclassified to statement of profit and loss**		
	Remeasurement of defined benefit plans		
	Opening balance (net of tax)	31	(6)
	Actuarial gains	215	50
	Income tax expense	(63)	(13)
	Closing balance (net of tax)	**183**	**31**
B	**Items that will be reclassified subsequently to statement of profit and loss**		
	Foreign currency translation reserve		
	Opening balance	3,190	2,740
	Foreign currency translation	1,541	455
	Attributable to non controlling interest	-	(5)
	Closing balance	**4,731**	**3,190**
	Cash flow hedging reserve		
	Opening balance (net of tax)	466	183
	Unrealized gains (losses)	(381)	531
	Net gain reclassified into statement of profit and loss on occurrence of hedged transactions	(85)	(250)
	Income tax benefit	79	2
	Closing balance (net of tax)	**79**	**466**
	Unrealized gain on debt instruments		
	Opening balance (net of tax)	4	22
	Unrealized losses	(8)	(27)
	Income tax benefit	3	9
	Closing balance (net of tax)	**(1)**	**4**
	TOTAL (B)	**4,809**	**3,660**

3.27 Earnings per equity share (EPS)

The computation of earnings per equity share is as follows:

	Year ended	
	31 March 2023	31 March 2022
Profit for the year attributable to shareholders of the Company	14,851	13,499
Weighted average number of equity shares outstanding in calculating basic EPS	2,707,383,472	2,712,044,398
Dilutive effect of Restricted Stock Units outstanding	3,315,727	383,404
Weighted average number of equity shares outstanding in calculating diluted EPS	2,710,699,199	2,712,427,802
Nominal value of equity shares (in ₹)	2	2
Earnings per equity share (in ₹)		
- Basic	54.85	49.77
- Diluted	54.79	49.77

3.28 Leases

(a) Group as a lessee

The Group's significant leasing arrangements are in respect of leases for office spaces, leasehold land and IT equipments.

The details of the right-of-use assets held by the Group is as follows:

	Leasehold land	Buildings	Computers and networking equipment	Total
Balance as at 1 April 2021	**278**	**1,983**	**149**	**2,410**
Depreciation	(6)	(601)	(67)	(674)
Additions	65	426	204	695
Derecognition	-	(64)	(75)	(139)
Translation exchange differences	-	16	(3)	13
Balance as at 31 March 2022	**337**	**1,760**	**208**	**2,305**
Balance as at 1 April 2022	**337**	**1,760**	**208**	**2,305**
Depreciation	(4)	(611)	(97)	(712)
Additions	2	526	297	825
Acquired through business combinations	-	22	-	22
Derecognition	(9)	(151)	(16)	(176)
Translation exchange differences	-	57	16	73
Balance as at 31 March 2023	**326**	**1,603**	**408**	**2,337**

The reconciliation of lease liabilities is as follows:

	Year ended	
	31 March 2023	31 March 2022
Balance as at beginning of the year	2,358	2,594
Additions	1,075	792
Amounts recognized in statement of profit and loss as interest expense	103	111
Payment of lease liabilities	(927)	(1,067)
Acquired through business combinations	22	-
Derecognition	(166)	(94)
Translation exchange differences	70	22
Balance as at end of the year	**2,535**	**2,358**

The lease rental expense relating to short-term leases recognized in the statement of profit and loss for the year amounted to ₹ 67 crores (previous year, ₹ 70 crores).

The following table presents a maturity analysis of expected undiscounted cash flows for lease liabilities:

	As at	
	31 March 2023	31 March 2022
Within one year	969	788
One to two years	715	669
Two to three years	479	444
Three to five years	519	523
Thereafter	96	172
Total lease payments	**2,778**	**2,596**
Imputed interest	(243)	(238)
Total lease liabilities	**2,535**	**2,358**

Certain lease agreements include options to terminate or extend the leases. The lease agreements do not contain any material residual value guarantees or material restrictive covenants.

(b) Group as a lessor

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 at 31 March 2023			
Not later than one year	614	44	570
Later than one year and not later than 5 years	730	48	682
	1,344	**92**	**1,252**
As at 31 March 2022			
Not later than one year	818	30	788
Later than one year and not later than 5 years	795	28	767
	1,613	**58**	**1,555**

3.29 Financial instruments

(a) Derivatives

The Group is exposed to foreign currency fluctuations on assets / liabilities and forecasted cash flows denominated in foreign currency and interest rate fluctuation risk on indebtedness. The use of derivatives to hedge the risk 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 counterparties in these derivative instruments are banks and the Group considers the risks of non-performance by the counterparties as insignificant. The Group has entered into a series of foreign exchange forward contracts and options that are designated as cash flow hedges and the related forecasted transactions extend through March 2028. The Group does not use these derivative instruments for speculative purposes.

The following table presents the aggregate notional principal amounts of the outstanding derivative instruments which have been designated as cash flow hedges:

Foreign exchange forward denominated in	Notional Currency	Notional principal amounts (amount in millions)		Balance sheet exposure Asset (Liability) (₹)	
		31 March 2023	31 March 2022	31 March 2023	31 March 2022
Forward contracts (sell covers)					
USD / INR	USD	1,622	1,461	(77)	299
GBP / INR	GBP	90	60	19	33
EUR / INR	EUR	170	117	52	103
CHF / INR	CHF	55	46	1	15
SEK / INR	SEK	330	585	44	56
AUD / INR	AUD	96	103	30	7
NOK / INR	NOK	60	105	6	1
CAD / INR	CAD	26	31	6	1
JPY / INR	JPY	6,655	1,945	14	15
Range Forward (Sell covers)					
USD / INR	USD	599	305	26	23
GBP / INR	GBP	7	-	-	-
EUR / INR	EUR	6	29	-	22
				121	**575**

The Group has entered into derivative instruments not designated as hedging relationship by way of foreign exchange forwards, currency options and futures contracts. As at 31 March 2023 and 2022, the notional principal amount of outstanding contracts aggregated to ₹ 8,981 crores and ₹ 6,978 crores, respectively and the respective balance sheet exposure of these contracts have a net gain of ₹ 26 crores and net loss ₹ 19 crores.

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 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 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 2023				
	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	160	117	81	54	412
Foreign exchange contracts in a liability position	(81)	(54)	(87)	(69)	(291)
Net asset (liability)	79	63	(6)	(15)	121
Derivatives not designated as hedging instruments					
Foreign exchange contracts in an asset position	65	-	31	-	96
Foreign exchange contracts in a liability position	(31)	-	(39)	-	(70)
Net asset (liability)	34	-	(8)	-	26
Total Derivatives at fair value	**113**	**63**	**(14)**	**(15)**	**147**

	As at 31 March 2022				
	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	291	290	4	2	587
Foreign exchange contracts in an liability position	(4)	(2)	(4)	(2)	(12)
Net asset (liability)	287	288	-	-	575
Derivatives not designated as hedging instruments					
Foreign exchange contracts in an asset position	23	-	15	-	38
Foreign exchange contracts in an liability position	(15)	-	(42)	-	(57)
Net asset (liability)	8	-	(27)	-	(19)
Total Derivatives at fair value	**295**	**288**	**(27)**	**-**	**556**

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 2023	31 March 2022
Derivatives designated as hedging instruments		
Unrealized gain on financial instruments classified under current assets	79	287
Unrealized gain on financial instruments classified under non-current assets	63	288
Unrealized loss on financial instruments classified under current liabilities	(6)	-
Unrealized loss on financial instruments classified under non-current liabilities	(15)	-
	121	**575**
Derivatives not designated as hedging instruments		
Unrealized gain on financial instruments classified under current assets	34	8
Unrealized loss on financial instruments classified under current liabilities	(8)	(27)
	26	**(19)**

Maturity profile of derivative liabilities based on contractual payments is as below:

	As at	
	31 March 2023	**31 March 2022**
Within one year	14	27
One to two years	8	-
Two to three years	4	-
Three to five years	3	-
	29	**27**

The following table summarizes the activities in the consolidated statement of profit and loss and other comprehensive income:

	Year ended	
	31 March 2023	**31 March 2022**
Derivatives in hedging relationships		
Effective portion of gain or (loss) recognized in OCI on derivatives	(381)	531
Effective portion of gain reclassified from OCI into statement of profit and loss as "exchange differences"	85	250
Derivatives not in hedging relationships		
Gain or (loss) recognized into statement of profit and loss as "exchange differences"	(267)	59

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 2023	**31 March 2022**
Gain as at the beginning of the year	562	281
Unrealized gain (loss) on cash flow hedging derivatives during the year	(381)	531
Net gain reclassified into statement of profit and loss on occurrence of hedged transactions	(85)	(250)
Gain as at the end of the year	**96**	**562**
Deferred tax liability	(17)	(96)
Cash flow hedging reserve (net of tax)	**79**	**466**

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 ₹ 48 crores (previous year, ₹ 274 crores).

(b) Financial assets and liabilities

The carrying value of financial instruments by categories as at 31 March 2023 is as follows:

	Fair value through profit and loss	**Fair value through other comprehensive income**	**Amortized cost**	**Total carrying value**
Financial assets				
Investments	1,894	3,601	-	5,495
Trade receivables (including unbilled)	-	-	26,187	26,187
Cash and cash equivalents	-	-	9,065	9,065
Other bank balances	-	-	5,659	5,659
Loans	-	-	2,603	2,603
Others	34	142	2,223	2,399
Total	**1,928**	**3,743**	**45,737**	**51,408**

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

	Fair value through profit and loss	Fair value through other comprehensive income	Amortized cost	Total carrying value
Financial liabilities				
Borrowings	-	-	2,251	2,251
Lease liabilities	-	-	2,535	2,535
Trade payables (including unbilled and accruals)	-	-	6,428	6,428
Others	149	21	5,546	5,716
Total	**149**	**21**	**16,760**	**16,930**

The carrying value of financial instruments by categories as at 31 March 2022 is as follows:

	Fair value through profit and loss	Fair value through other comprehensive income	Amortized cost	Total carrying value
Financial assets				
Investments	2,559	3,783	-	6,342
Trade receivables (including unbilled)	-	-	21,743	21,743
Cash and cash equivalents	-	-	10,510	10,510
Other bank balances	-	-	2,126	2,126
Loans	-	-	3,208	3,208
Others	8	575	2,157	2,740
Total	**2,567**	**4,358**	**39,744**	**46,669**
Financial liabilities				
Borrowings	-	-	3,985	3,985
Lease liabilities	-	-	2,358	2,358
Trade payables (including unbilled and accruals)	-	-	6,278	6,278
Others	27	-	5,221	5,248
Total	**27**	**-**	**17,842**	**17,869**

Transfer of financial assets

The Group in the normal course of business sells certain trade receivables and net investment in finance lease receivables to banks. Under the terms of arrangements, the Group surrenders control over these assets and transfer is on a non-recourse basis.

During the year ended 31 March 2023 and 2022, the Group has sold certain trade receivables and finance lease receivables on non-recourse basis. Gains or losses on the sales are recorded at the time of transfers of these receivables and are immaterial.

Fair value hierarchy

The assets and liabilities measured at fair value on a recurring basis as at 31 March 2023 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	1,894	1,784	-	110
Investments carried at fair value through other comprehensive income	3,601	-	3,601	-
Unrealized gain on derivative financial instruments	176	-	176	-
Liabilities				
Unrealized loss on derivative financial instruments	29	-	29	-
Contingent consideration	47	-	-	47
Others	94	-	-	94

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

The following table discloses the assets and liabilities measured at fair value on a recurring basis as at 31 March 2022 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	2,559	2,456	-	103
Investments carried at fair value through other comprehensive income	3,783	-	3,783	-
Unrealized gain on derivative financial instruments	583	-	583	-
Liabilities				
Unrealized loss on derivative financial instruments	27	-	27	-

There have been no transfers between Level 1 and Level 2 during the current and previous year.

Valuation Methodologies

Investments: The Group's investments consist of investment in debt linked mutual funds which are determined using quoted prices or identical quoted prices of assets or liabilities in active markets and are classified as Level 1. Fair value of corporate debt securities is determined using observable markets' inputs and is classified as Level 2.

Investments in unquoted equity shares and limited liability partnerships are classified as fair value through profit and loss and are classified as Level 3. The re-measurement is calculated using unobservable inputs based on the Group's own assessment of third party valuations and respective company's financial performance.

Derivative financial instruments: The Group's derivative financial instruments consist of foreign currency forward exchange contracts and options. Fair values for derivative financial instruments are based on counter party quotations and are classified as Level 2.

Liability towards non-controlling interest: As part of the acquisition of "Actian Corporation" on 17 July 2018, joint venturer "Sumeru Equity Partners" (SEP) contributed in form of preferred stock qualified as "compound financial instrument" (equity and financial liability) in the books of joint venture company controlled by the Group. The financial liability was initially and subsequently re-measured based on independent third party valuation using "Monte Carlo Simulation" methodology (refer note 2(b)(i)).

Fair value of contingent consideration: The fair value measurement of contingent consideration is determined using Level 3 inputs. The Group contingent consideration represents a component of the total purchase consideration for its various acquisitions. The measurement is calculated using unobservable inputs based on the Group's own assessment of achievement of certain performance goals.

Fair value of consideration payable for "other financial liability" is determined using Monte Carlo and Geometric Brownian model. The fair value measurement is determined using Level 3 Inputs.

The Group assessed that fair value of cash and cash equivalent, loans, short-term deposits, trade receivables, other current financial assets, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following table discloses reconciliation of financial assets and liabilities categorised within Level 3 of the fair value hierarchy:

	Investment in unquoted equity shares and limited liability partnerships	Liability towards non-controlling interest (refer note 2(b)(i))	Contingent consideration	Other financial liabilities
Balance as at 1 April 2021	**89**	**483**	**-**	**-**
Recognized in statement of profit and loss	10	48	-	-
Additional investments	3	-	-	-
Payment of liability	-	(539)	-	-
Translation exchange differences	1	8	-	-
Balance as at 31 March 2022	**103**	**-**	**-**	**-**

	Investment in unquoted equity shares and limited liability partnerships	Liability towards non-controlling interest (refer note 2(b)(i))	Contingent consideration	Other financial liabilities
Balance as at 1 April 2022	**103**	**-**	**-**	**-**
Recognized in statement of profit and loss	(4)	-	1	29
Business combination	-	-	70	-
Change in non-controlling interest (refer note below)	-	-	-	72
Additional investments	3	-	-	-
Distribution from limited liability partnership	(1)	-	-	-
Payment of liability	-	-	(27)	-
Exchange differences	-	-	-	(5)
Translation exchange differences	9	-	3	(2)
Balance as at 31 March 2023	**110**	**-**	**47**	**94**

Note: During the year ended 31 March 2020, the Group had set-up certain trusts in South Africa for the benefit of black nationals and had given 51.8% effective ownership in its South African operating entity to the trusts. Subsequently, during the current year ended 31 March 2023 pursuant to certain additional rights given to these trusts, the fair value of the Group's liability to the trusts have been reclassified from 'non-controlling interest' to 'other financial liabilities'. Further, the remaining earnings allocated to these trusts in prior periods and included in 'non-controlling interest' have been reclassified to 'retained earnings'.

(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 and 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 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 increase / decrease in the Group's profit before tax by approximately ₹ 99 crores (31 March 2022, ₹ 76 crores) for the year ended 31 March 2023.

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.

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

Non-derivative foreign currency exposure as of 31 March 2023 and 31 March 2022 in major currencies is as below:

	Financial assets		Financial liabilities	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
USD / INR	7,514	6,948	1,574	1,414
GBP / INR	856	540	73	34
EUR / INR	1,306	949	176	129

(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.

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, 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 counterparties.

The customers of the Group are primarily corporations based in the United States of America and Europe and accordingly, trade receivables, unbilled 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 trade receivables, unbilled receivables, contract assets and finance lease receivables. No single customer accounted for more than 10% of trade receivables, unbilled receivables and finance lease receivables. The Group also outsourced selected client related credit risks to financial markets through "Non-recourse assignment" of receivables.

The allowance for lifetime expected credit loss on customer balances is as below:

	Year ended	
	31 March 2023	31 March 2022
Balance at the beginning of the year	447	476
Additional provision during the year	191	144
Deductions on account of write offs and collections	(201)	(186)
Acquired through business combinations	-	6
Translation exchange differences	29	7
Balance at the end of the year	**466**	**447**

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 financial liabilities based on contractual payments is as below:

	Year 1 (Current)	Year 2	Year 3	Year 4-5 and thereafter	Total
As at 31 March 2023					
Borrowings	178	58	2,116	11	2,363
Lease liabilities	969	715	479	615	2,778
Trade payables (including unbilled and accruals)	6,428	-	-	-	6,428
Derivative financial liabilities	14	8	4	3	29
Other financial liabilities	5,193	179	138	196	5,706
Total	**12,782**	**960**	**2,737**	**825**	**17,304**

	Year 1 (Current)	Year 2	Year 3	Year 4-5 and thereafter	Total
As at 31 March 2022					
Borrowings	129	193	74	3,850	4,246
Lease liabilities	788	669	444	695	2,596
Trade payables (including unbilled and accruals)	6,278	-	-	-	6,278
Derivative financial liabilities	27	-	-	-	27
Other financial liabilities	4,765	166	119	193	5,243
Total	**11,987**	**1,028**	**637**	**4,738**	**18,390**

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 ₹ 378 crores (31 March 2022, ₹ 193 crores).

3.30 Segment Reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available and whose results are reviewed regularly by the chief operating decision maker (CODM), for allocation of resources and assessing performance.

The group has organized itself into the following segments:

IT and Business Services provide a comprehensive portfolio of IT & Business Services (Application, Infrastructure and Digital Process Operations) and Digital transformation services enabled by Digital and Analytics, IoTWoRKs, Cloud native and Cybersecurity solutions including products developed within these businesses.

Engineering and R&D Services provides comprehensive engineering services and solutions across software, embedded, mechanical, VLSI and platform engineering that support the end to end lifecycle of products – both hardware and software across diverse industries including products developed within this business.

HCL Software provides modernized software products and IP-led offerings to our global clients for their technology and industry specific requirements.

During the year ended 31 March 2023, the Group has changed the name of "Products & Platforms" segment to "HCL Software".

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 and wherever allocable, are apportioned to the segment on an appropriate basis. However, segment revenue does not include other income. Segment expenses do not include finance cost, exchange differences and tax expense. Inter segment revenue primarily relates to software and related services sourced internally from HCL Software segment by other segments for providing services to end customers.

(b) Segment assets and liabilities
Assets and liabilities are not identified to any reportable segments, since these are used interchangeably across segments and consequently, the management believes that it is not practicable or meaningful to provide segment disclosures relating to total assets and liabilities.

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

Financial information about the business segments is as follows:

	Year ended	
	31 March 2023	**31 March 2022**
Revenue from operations from external customers		
IT and Business Services	74,015	61,711
Engineering and R&D services	16,802	13,564
HCL Software	10,639	10,376
Total	**101,456**	**85,651**
Inter-segment revenue		
IT and Business Services	-	-
Engineering and R&D services	-	-
HCL Software	470	415
Total	**470**	**415**
Segment revenues		
IT and Business Services	74,015	61,711
Engineering and R&D services	16,802	13,564
HCL Software	11,109	10,791
Inter-segment elimination	(470)	(415)
Total	**101,456**	**85,651**
Segment results		
IT and Business Services	12,303	11,042
Engineering and R&D services	3,389	2,603
HCL Software	2,791	2,559
Total	**18,483**	**16,204**
Finance cost	(353)	(319)
Exchange differences (net)	91	328
Other income	1,267	739
Profit before share of loss of associate and tax	**19,488**	**16,952**
Share of loss of an associate	-	(1)
Profit before tax	**19,488**	**16,951**
Tax expense	(4,643)	(3,428)
Profit for the year	**14,845**	**13,523**
Significant non-cash items		
Depreciation and amortization expense		
IT and Business Services	1,932	1,826
Engineering and R&D services	454	404
HCL Software	1,759	2,096
Total	**4,145**	**4,326**
Share based payments to employees		
IT and Business Services	248	66
Engineering and R&D services	30	8
HCL Software	30	7
Total	**308**	**81**

Effective 1 April 2022, certain software products internally developed and earlier managed by and reported under IT and Business Services segment, have been brought under the management of the HCL Software Team. Accordingly, the revenues and results related to these products and related services are now being reported under HCL Software segment. Prior period figures have also been restated to conform to current period composition of the operating segments. Impact of this change is immaterial for segment results of both the segments.

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

	Year ended	
	31 March 2023	**31 March 2022**
America	57,818	48,205
Europe	26,868	22,972
India *	3,935	3,104
Rest of the world	12,835	11,370
	101,456	**85,651**

* includes revenue billed to India based captive of global customers

No single customer represents 10% or more of the Group's total revenue for the years ended 31 March 2023 and 2022, respectively.

Group operates out of various geographies and America & Europe constitute major portion of revenue. In case of IT and Business Services and Engineering and R&D services approximately 57% and 57% of revenues are generated in America, Europe generates around 27% and 27% revenue and balance is generated by other geographies during year ended 31 March 2023 and 2022 respectively. Products & Platforms segment generates approximately 55% and 54% revenue from America, 25% and 26% from Europe and balance geographies generates rest of revenue during the year ended 31 March 2023 and 2022 respectively.

Geographical non-current assets (property, plant and equipment, capital work in progress, right-of-use assets, goodwill, other intangible assets and other non-current assets) are allocated based on the location of the assets.

Geographical non-current assets based on the location of the assets is as follows:

	As at	
	31 March 2023	**31 March 2022**
India	18,334	20,152
America	9,752	9,366
Europe	5,946	5,036
Rest of the world	2,480	2,658
	36,512	**37,212**

3.31 Employee benefits

The Group has calculated the various benefits provided to employees as shown below:

(A) Defined contribution plans

Superannuation Fund

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 2023	**31 March 2022**
Superannuation Fund	13	12
Employer's contribution to Employee's Pension Scheme	173	164
Total	**186**	**176**

The Group has contributed ₹ 946 crores (previous year ₹ 813 crores) towards other defined contribution plans of subsidiaries outside India.

(B) Defined benefit plans

(a) Gratuity

(b) Pension

(c) Employer's contribution to provident fund

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

Gratuity

The following table sets out the status of the gratuity plan:

Statement of profit and loss

	Year ended	
	31 March 2023	31 March 2022
Current service cost	221	170
Interest cost (net)	50	42
Net benefit expense	**271**	**212**

Balance Sheet

	As at	
	31 March 2023	31 March 2022
Defined benefit obligations	845	855
Fair value of plan assets	16	18
Net plan liability	**829**	**837**
Current defined benefit obligations	184	143
Non-current defined benefit obligations	645	694

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

	Year ended	
	31 March 2023	31 March 2022
Opening defined benefit obligations	855	764
Current service cost	221	170
Interest cost	51	43
Re-measurement (gains) losses in OCI		
Actuarial changes arising from changes in demographic assumptions	(27)	-
Actuarial changes arising from changes in financial assumptions	(102)	(15)
Experience adjustments	(53)	(19)
Benefits paid	(100)	(88)
Closing defined benefit obligations	**845**	**855**

Changes in fair value of the plan assets are as follows:

	Year ended	
	31 March 2023	31 March 2022
Opening fair value of plan assets	18	20
Interest income	1	1
Contributions	104	84
Re-measurement gains (losses) in OCI	-	-
Benefits paid	(107)	(87)
Closing fair value of plan assets	**16**	**18**

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.

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

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

	As at	
	31 March 2023	31 March 2022
Discount rate	7.40%	6.75%
Estimated rate of salary increases	6.50%	8.00%
Expected rate of return on assets	7.40%	6.75%

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. Inherent risk exists for the Company that any adverse salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks.

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 2023 arising due to increase / decrease in key actuarial assumptions by 50 basis points:

	Discount rate		Salary escalation rate	
	As at		As at	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Impact of increase	(22)	(26)	22	26
Impact of decrease	23	27	(21)	(25)

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 analyses.

The defined benefit obligations are expected to mature after 31 March 2023 as follows:

Year ending 31 March,	Cash flows
- 2024	140
- 2025	144
- 2026	176
- 2027	230
- 2028	236
- Thereafter	2,998

The weighted average duration for the payment of these cash flows is 5.64 years.

Retirement benefit pension plans

The following table sets out the status of the plan :

Statement of profit and loss

	Year ended	
	31 March 2023	31 March 2022
Current service cost	1	12
Net benefit expense	**1**	**12**

Balance Sheet

	As at	
	31 March 2023	31 March 2022
Defined benefit obligations	120	143
Fair value of plan assets	-	-
Net plan liability	**120**	**143**
Current defined benefit obligations	3	3
Non-current defined benefit obligations	117	140

Changes in present value of the retirement benefit pension plans are as follows:

	Year ended	
	31 March 2023	**31 March 2022**
Opening defined benefit obligations	143	119
Business combinations	-	29
Current service cost	1	12
Interest cost	1	1
Re-measurement (gains) losses in OCI		
Actuarial changes arising from changes in demographic assumptions	-	1
Actuarial changes arising from changes in financial assumptions	(33)	(10)
Experience adjustments	-	(4)
Benefits paid	(2)	(4)
Translation exchange differences	10	(1)
Closing defined benefit obligations	**120**	**143**

The principal assumptions used in determining retirement benefit pension plans obligation are shown below:

	As at	
	31 March 2023	**31 March 2022**
Discount rate	3.36%	1.21%
Estimated rate of salary increases	2.50%	2.50%

The defined benefit obligations are expected to mature after 31 March 2023 as follows:

Year ending 31 March,	Cash flows
- 2024	3
- 2025	3
- 2026	3
- 2027	5
- 2028	6
- Upto 10 years	100

Employers Contribution to Provident Fund

The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India based on the assumption mentioned below.

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

	31 March 2023	**31 March 2022**
Fair value of plan assets at the year end	6,495	5,566
Present value of benefit obligation at year end	6,495	5,566
Net liability recognized in balance sheet	**-**	**-**

The amount of net liability as at 31 March 2023 has been recognized in the other comprehensive income.

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

	31 March 2023	**31 March 2022**
Government of India (GOI) bond yield	7.40%	6.75%
Remaining term of maturity	7.51 years	7.60 years
Expected guaranteed interest rate	8.15%	8.10%

During the year ended 31 March 2023, the Group has contributed ₹ 457 crores (previous year, ₹ 342 crores) towards employer's contribution to provident fund.

(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 2023 and 31 March 2022 is as below:

S. No.	Name of the Subsidiaries	Country of Incorporation	Percentage holding as at	
			31 March 2023	31 March 2022
Direct subsidiaries				
1	HCL Comnet Systems & Services Limited	India	100%	100%
2	HCL Bermuda Limited	Bermuda	100%	100%
3	HCL Technologies (Shanghai) Limited	China	100%	100%
4	HCL Singapore Pte. Limited	Singapore	100%	100%
5	HCL Training & Staffing Services Private Limited	India	100%	100%
6	Geometric Americas, Inc.	USA	100%	100%
7	HCL Asia Pacific Pte. Ltd.	Singapore	100%	100%
8	Geometric Europe GmbH	Germany	100%	100%
9	Sankalp Semiconductor Private Limited	India	100%	100%
10	H C L Technologies Lanka (Private) Limited	Sri Lanka	100%	100%
11	HCL Technologies Jigani Limited ^	India	100%	-
Step down subsidiaries of direct subsidiaries				
12	HCL Great Britain Limited	UK	100%	100%
13	HCL Australia Services Pty. Limited	Australia	100%	100%
14	HCL (New Zealand) Limited	New Zealand	100%	100%
15	HCL Hong Kong SAR Limited	Hong Kong	100%	100%
16	HCL Japan Limited	Japan	100%	100%
17	HCL America Inc.	USA	100%	100%
18	HCL Technologies Austria GmbH	Austria	100%	100%
19	HCL Software Products Limited	India	100%	100%
20	HCL Poland Sp.z.o.o	Poland	100%	100%
21	HCL EAS Limited	UK	100%	100%
22	HCL Insurance BPO Services Limited	UK	100%	100%
23	Axon Group Limited	UK	100%	100%
24	HCL Canada Inc.	Canada	100%	100%
25	HCL Technologies Solutions GmbH	Switzerland	100%	100%
26	Axon Solutions Pty. Limited !	Australia	-	100%
27	Axon Solutions Limited	UK	100%	100%
28	HCL Technologies Malaysia Sdn. Bhd.	Malaysia	100%	100%
29	Axon Solutions (Shanghai) Co. Limited	China	100%	100%
30	HCL Technologies (Proprietary) Ltd %	South Africa	48.16%	48.16%
31	HCL Argentina s.a.	Argentina	100%	100%
32	HCL Technologies Mexico S. de R.L.	Mexico	100%	100%
33	HCL Technologies Romania s.r.l.	Romania	100%	100%
34	HCL Technologies Startschema Kft. (Formerly "HCL Hungary Kft")	Hungary	100%	100%
35	HCL Latin America Holding LLC	USA	100%	100%
36	HCL (Brazil) Tecnologia da Informacao LTDA (Formerly "HCL (Brazil) Technologia da informacao EIRELI")	Brazil	100%	100%
37	HCL Technologies Denmark Aps	Denmark	100%	100%
38	HCL Technologies Norway AS	Norway	100%	100%

(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 2023	31 March 2022
39	PT. HCL Technologies Indonesia Limited	Indonesia	100%	100%
40	HCL Technologies Philippines Inc.	Philippines	100%	100%
41	HCL Technologies South Africa (Proprietary) Limited %	South Africa	36.40%	36.40%
42	HCL Arabia LLC	Saudi Arabia	100%	100%
43	HCL Technologies France SAS	France	100%	100%
44	Filial Espanola De HCL Technologies S.L	Spain	100%	100%
45	Anzospan Investments Pty Limited %	South Africa	70%	70%
46	HCL Investments (UK) Limited	UK	100%	100%
47	Statestreet HCL Holding UK Limited **	UK	100%	100%
48	Statestreet HCL Services (Philippines) Inc. **	Philippines	100%	100%
49	Statestreet HCL Services (India) Private Limited **	India	100%	100%
50	HCL America Solutions Inc.	USA	100%	100%
51	HCL Technologies Chile Spa	Chile	100%	100%
52	HCL Technologies UK Limited	UK	100%	100%
53	HCL Technologies B.V.	Netherlands	100%	100%
54	HCL (Ireland) Information Systems Limited	Ireland	100%	100%
55	HCL Technologies Germany GmbH	Germany	100%	100%
56	HCL Technologies Belgium BV (Formerly "HCL Technologies Belgium BVBA")	Belgium	100%	100%
57	HCL Technologies Sweden AB	Sweden	100%	100%
58	HCL Technologies Finland Oy	Finland	100%	100%
59	HCL Technologies Italy S.P.A	Italy	100%	100%
60	HCL Technologies Columbia S.A.S	Columbia	100%	100%
61	HCL Technologies Middle East FZ-LLC	UAE	100%	100%
62	HCL Istanbul Bilisim Teknolojileri Limited Sirketi	Turkey	100%	100%
63	HCL Technologies Greece Single Member P.C	Greece	100%	100%
64	HCL Technologies S.A.	Venezuela	100%	100%
65	HCL Technologies Beijing Co., Ltd	China	100%	100%
66	HCL Technologies Luxembourg S.a r.l	Luxembourg	100%	100%
67	HCL Technologies Egypt Limited	Egypt	100%	100%
68	HCL Technologies Estonia OÜ	Estonia	100%	100%
69	HCL Technologies (Thailand) Ltd.	Thailand	100%	100%
70	HCL Technologies Czech Republic s.r.o.	Czech Republic	100%	100%
71	HCL Muscat Technologies L.L.C.	Oman	100%	100%
72	Point to Point Limited !	UK	-	100%
73	Point to Point Products Limited !	UK	-	100%
74	HCL Technologies Lithuania UAB	Lithuania	100%	100%
75	HCL Technologies (Taiwan) Ltd.	China	100%	100%
76	Geometric China, Inc.	China	100%	100%
77	Butler America Aerospace LLC	USA	100%	100%
78	HCL Lending Solutions, LLC (Formerly "Urban Fulfillment Services LLC")	USA	100%	100%
79	Datawave (An HCL Technologies Company) Limited	Scotland	100%	100%
80	HCL Technologies Corporate Services Limited	UK	100%	100%
81	C3i Support Services Private Limited	India	100%	100%

(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 2023	31 March 2022
82	Telerx Marketing Inc.	USA	100%	100%
83	C3i Europe Eood	Bulgaria	100%	100%
84	C3i Japan GK	Japan	100%	100%
85	C3i Services &Technologies (Dalian) Co., Ltd	China	100%	100%
86	HCL Technologies SEP Holdings Inc !	USA	-	100%
87	Actian Corporation	USA	100%	100%
88	Actian Australia Pty. Ltd.	Australia	100%	100%
89	Actian Europe Limited	UK	100%	100%
90	Actian France SAS	France	100%	100%
91	Actian Germany GmbH	Germany	100%	100%
92	Actian International, Inc.	USA	100%	100%
93	Actian Netherlands B.V.!	Netherlands	-	100%
94	Actian Technology Private Limited	India	100%	100%
95	Versant GmbH	Germany	100%	100%
96	Versant India Private Limited	India	100%	100%
97	HCL Technologies Vietnam Company Limited	Vietnam	100%	100%
98	HCL Guatemala, Sociedad Anonima	Guatemala	100%	100%
99	Sankguj Semiconductor Private Limited	India	100%	100%
100	Sankalp Semiconductor Inc.	Canada	100%	100%
101	Sankalp USA Inc. !	USA	-	100%
102	Sankalp Semiconductor GmbH.	Germany	100%	100%
103	Sankalp Semiconductor SDN.BHD.	Malaysia	100%	100%
104	HCL Technologies Trinidad And Tobago Limited	Trinidad and Tobago	100%	100%
105	HCL Technologies Azerbaijan Limited Liability Company	Azerbaijan	100%	100%
106	HCL Technologies Bulgaria EOOD	Bulgaria	100%	100%
107	HCL Vietnam Company Limited (Formerly known as HCL Technologies (Vietnam) Company Limited)	Vietnam	100%	100%
108	HCL Technologies Angola (SU), LDA	Angola	100%	100%
109	DWS Pty Limited (Formely "DWS Limited")	Australia	100%	100%
110	DWS (New Zealand) Ltd	New Zealand	100%	100%
111	Phoenix IT & T Consulting Pty Ltd	Australia	100%	100%
112	Wallis Nominees (Computing) Pty Ltd	Australia	100%	100%
113	DWS (NSW) Pty Ltd	Australia	100%	100%
114	Symplicit Pty Ltd	Australia	100%	100%
115	Projects Assured Pty Ltd	Australia	100%	100%
116	DWS Product Solutions Pty Ltd	Australia	100%	100%
117	Graeme V Jones & Associates Pty Ltd	Australia	100%	100%
118	Strategic Data Management Pty Ltd	Australia	100%	100%
119	SDM Sales Pty Ltd	Australia	100%	100%
120	HCL Technologies S.A.C.	Peru	100%	100%
121	HCL Technologies Costa Rica Sociedad De Responsabilidad Limitada	Costa Rica	100%	100%
122	HCL Technologies gbs GmbH (Formerly "gbs-Gesellschaft für Banksysteme GmbH")	Germany	51%	51%
123	HCL Technologies Slovakia s. r. o.	Slovakia	100%	100%

(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 2023	31 March 2022
124	HCL Technologies Bahrain W.L.L	Bahrain	100%	100%
125	HCL Technologies Morocco Limited	Morocco	100%	100%
126	Starschema kft. (Formerly "Starschema Kereskedelmi és Szolgáltató kft.") # *	Hungary	-	-
127	Manzina Tech GmbH #	Switzerland	100%	-
128	Starschema Inc #	USA	100%	-
129	Confinale AG #	Switzerland	100%	-
130	Brilliant Data LLC #	USA	100%	-
131	Confinale (Deutschland) GmbH #	Germany	100%	-
132	Confinale (UK) Limited #	UK	100%	-
133	Quest Informatics Private Limited #	India	100%	-

^ Incorporated during the year.

Acquired during the year.

! Closed during the year.

* Merged during the year.

% The Group has majority composition of board of directors and management control.

** The Group has equity interest of 49% and 100% dividend rights and control.

Employee benefit trusts incorporated in India
Hindustan Instruments Limited Employees Provident Fund Trust
HCL Consulting Limited Employees Superannuation Scheme
HCL Comnet System and Services Limited Employees Provident Fund Trust
HCL Technologies Employees Group Gratuity Trust
HCL Technologies Stock Options Trust
C3i Support Services Employees Gratuity Trust
Sankalp Stock Trust (closed w.e.f 6th March 2023)
Sankalp Semiconductor Private Limited Employees Group Gratuity Trust

(b) Related parties with whom transactions have taken place

Key Management Personnel
Mr. C. Vijayakumar – Chief Executive Officer and Managing director (appointed Managing Director w.e.f. 20 July 2021)
Mr. Prateek Aggarwal – Chief Financial Officer
Mr. Manish Anand – Company Secretary
Mr. Shiv Nadar – Chief Strategy Officer (ceased to be Managing Director w.e.f. 19 July 2021)

Non-Executive & Independent Directors
Mr. R. Srinivasan
Ms. Robin Abrams
Dr. Sosale S. Sastry
Mr. S. Madhavan
Mr. Thomas Sieber
Ms. Nishi Vasudeva
Mr. Deepak Kapoor
Dr. Mohan Chellappa
Mr. Simon England
Ms. Vanitha Narayanan (appointed w.e.f. 19 July 2021)

Non-Executive & Non-Independent Directors
Ms. Roshni Nadar Malhotra, Chairperson
Mr. Shikhar Malhotra

Others (Significant influence)	
Mr. Shiv Nadar (ceased to be Managing Director w.e.f. 19 July 2021)	
HCL Infosystems Limited	Ms. Kiran Nadar
HCL Avitas Private Limited	HCL IT City Lucknow Private Limited
Vama Sundari Investments (Delhi) Private Limited	HCL Infotech Limited
HCL Corporation Private Limited	Shiv Nadar University
SSN Investments (Pondi) Private Limited	HCL Holdings Private Limited
Naksha Enterprises Private Limited	Shiv Nadar Foundation*
Kiran Nadar Musuem of Art*	

* Public Charitable Trusts in which Mr. Shiv Nadar or his family members are managing trustees.

Transactions with related parties during the normal course of business	**Significant influence**	
	Year ended	
	31 March 2023	**31 March 2022**
Revenue from operations	1	14
Interest income	2	2
Employee benefit expense	67	60
Payment for use of facilities	-	4
Interim dividend	7,909	6,876
Sale of capital equipments	1	-
Depreciation charge on right-of-use assets	33	32
Interest expense on the lease liability	5	5
Other expenses	6	5

Material related party transactions	**Year ended**	
	31 March 2023	**31 March 2022**
Interim dividend paid		
Vama Sundari Investments (Delhi) Private Limited	5,729	4,949
HCL Holdings Private Limited	2,144	1,876

Transactions with Key Managerial personnel during the year (on accrual basis)	**Year ended**	
	31 March 2023	**31 March 2022**
Compensation		
- Short-term employee benefits	44	37
- Other long-term employee benefits	51	44
Interim dividend	2	2

Other long term employee benefits include expense of ₹ 41 crores (previous year, ₹ 11 crores) recorded by the Company on account of share-based payments which were granted on 23 December 2022.

Above does not include post-employment benefits based on actuarial valuation as this is done for the company as a whole.

Transactions with Directors during the year	**Year ended**	
	31 March 2023	**31 March 2022**
Commission & other benefits to Directors (includes sitting fees)	13	10

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

Outstanding balances	Significant influence	
	As at	
	31 March 2023	31 March 2022
Trade receivables, other financial assets and other assets	26	32
Trade payables and other financial liabilities	37	20
Employee and other payables	46	61
Right-of-use assets	65	61
Lease liabilities	67	69

All transactions entered by the Group with related parties are at arm's length and in ordinary course of business.

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary companies incorporated in India to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary companies incorporated in India ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

The Holding Company or any of such subsidiary companies incorporated in India have not received any funds from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies incorporated in India shall whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

3.33 Research and development expenditure

	Year ended	
	31 March 2023	31 March 2022
Amount charged to statement of profit and loss	1,632	1,526
	1,632	**1,526**

3.34 Commitments and contingent liabilities

		As at	
		31 March 2023	31 March 2022
(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)	228	541
	Uncalled liability on other investments partly paid		
	Capital commitment in limited liability partnership	3	5
(ii)	**Contingent liabilities**		
	Others	2	346
		233	**892**

Notes :

(a) The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Group towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the final rules are yet to be notified. The Group will carry out an evaluation of the impact and record the same in the financial statements in the period in which the Code becomes effective and the related rules are notified.

(b) 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 2023.

(c) A wholly owned subsidiary ('WOS') with a VSAT License had received a demand from Department of Telecommunications (DoT) in February 2015 for FY 2011-12 and FY 2013-14 for an amount of $18 (INR 133 crores), including penalty, interest and interest on penalty. Further, in July 2021, the WOS has received updated provisional order for FY 2011-12 and FY 2013-14 for an amount of $46 (INR 346 crores) after updating interest up to July 2021. It had received provisional assessment orders for all the prior and future years with no demand. Demand is primarily due to DoT including IT Services revenues and related exchange gains in Adjusted Gross Revenue (AGR). The WOS had obtained stay in 2015 and its petition is pending adjudication at the Hon'ble Telecom Disputes Settlement and Appellate Tribunal ("TDSAT"). The IT Services business had been demerged from the WOS with effect 1 April 2012. The Hon'ble Supreme Court has pronounced its ruling on the AGR matter relating to Unified Access Service License on 24 October 2019. Subsequent to this ruling, the Company had obtained legal opinion and was of the view that it should be able to defend its position in the above matter. The Company has received a favorable judgement from TDSAT setting aside the demand raised by DOT including IT services revenue and related exchange gains in AGR.

3.35 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	Country of incorporation	Percentage holding as at 31 March 2023	Net Assets, i.e. total assets minus liabilities as at		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
				31 March 2023							
				As % of consolidate	Amount	As % of consolidate	Amount	As % of consolidate	Amount	As % of consolidate	Amount
Parent	HCL Technologies Limited	India	NA	48.50	31,720	75.94	11,375	116.67	(280)	75.27	11,095
Subsidiaries											
Indian											
1	HCL Comnet Systems & Services Limited	India	100%	0.02	12	0.01	1	-	-	0.01	1
2	Statestreet HCL Services (India) Private Limited *	India	100%	0.83	542	0.65	98	(1.26)	3	0.69	101
3	HCL Software Products Limited	India	100%	0.22	146	0.73	110	-	-	0.75	110
4	HCL Training & Staffing Services Private Limited	India	100%	0.08	51	(0.30)	(45)	-	-	(0.31)	(45)
5	C3i Support Services Private Limited	India	100%	0.10	63	0.06	8	-	-	0.05	8
6	Sankalp Semiconductor Private Limited	India	100%	0.28	186	0.16	24	-	-	0.16	24
7	Sankguj Semiconductor Private Limited	India	100%	0.00	0	0.00	0	-	-	-	-
8	Quest Informatics Private Limited	India	100%	0.07	45	0.02	4	-	-	0.03	4
9	HCL Technologies Jigani Limited	India	100%	0.00	0	(0.00)	(0)	-	-	-	-
Foreign											
10	HCL Bermuda Limited	Bermuda	100%	0.01	8	(0.00)	(2)	-	-	(0.01)	(2)
11	HCL Technologies (Shanghai) Limited	China	100%	0.36	236	0.15	22	-	-	0.15	22
12	HCL Singapore Pte. Limited	Singapore	100%	0.63	409	0.66	99	-	-	0.67	99
13	HCL Great Britain Limited	UK	100%	0.00	0	(0.01)	(3)	-	-	(0.02)	(3)
14	HCL Australia Services Pty. Limited	Australia	100%	0.48	314	0.40	60	-	-	0.41	60
15	HCL (New Zealand) Limited	New Zealand	100%	0.28	185	0.14	20	-	-	0.14	20
16	HCL Hong Kong SAR Limited	Hong Kong	100%	0.03	22	0.05	7	-	-	0.05	7

Notes to consolidated financial statements for the year ended 31 March 2023

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

S. No.	Name of the Entity	Country of incorporation	Percentage holding as at 31 March 2023	Net Assets, i.e. total assets minus liabilities as at		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
				31 March 2023							
				As % of consolidate	Amount	As % of consolidate	Amount	As % of consolidate	Amount	As % of consolidate	Amount
17	HCL Japan Limited	Japan	100%	0.54	355	0.21	32	-	-	0.22	32
18	HCL America Inc.	USA	100%	8.21	5,367	5.11	766	-	-	5.20	766
19	HCL Technologies Austria GmbH	Austria	100%	(0.01)	(6)	0.04	5	-	-	0.03	5
20	HCL Poland Sp.z.o.o	Poland	100%	0.03	19	0.26	39	-	-	0.26	39
21	HCL EAS Limited	UK	100%	0.02	12	0.12	18	-	-	0.12	18
22	HCL Insurance BPO Services Limited	UK	100%	0.07	47	0.12	18	-	-	0.12	18
23	Axon Group Limited	UK	100%	(0.07)	(47)	(0.32)	(48)	-	-	(0.33)	(48)
24	HCL Canada Inc.	Canada	100%	0.63	410	0.98	147	-	-	1.00	147
25	HCL Technologies Solutions GmbH	Switzerland	100%	0.35	228	0.03	4	-	-	0.03	4
26	Axon Solutions Pty. Limited	Australia	0%	0.00	0	-	-	-	-	-	-
27	Axon Solutions Limited	UK	100%	(0.02)	(14)	0.12	19	-	-	0.13	19
28	HCL Technologies Malaysia Sdn. Bhd.	Malaysia	100%	0.11	74	0.10	16	-	-	0.11	16
29	Axon Solutions (Shanghai) Co. Limited	China	100%	1.02	664	0.23	34	-	-	0.23	34
30	HCL Technologies (Proprietary) Ltd	South Africa	48.16%	0.62	408	0.40	60	-	-	0.41	60
31	HCL Argentina s.a.	Argentina	100%	0.02	14	(0.00)	(0)	-	-	-	-
32	HCL Technologies Mexico S. de R.L.	Mexico	100%	0.36	239	0.28	42	-	-	0.28	42
33	HCL Technologies Romania s.r.l.	Romania	100%	0.07	48	0.11	17	-	-	0.12	17
34	HCL Technologies Startschema Kft. (Formerly "HCL Hungary Kft")	Hungary	100%	0.47	306	(0.17)	(26)	-	-	(0.18)	(26)
35	HCL Latin America Holding LLC	USA	100%	0.05	31	0.00	(1)	-	-	(0.01)	(1)
36	HCL (Brazil) Tecnologia da Informacao LTDA (Formerly "HCL (Brazil) Technologia da informacao EIRELI")	Brazil	100%	0.49	323	0.12	19	-	-	0.13	19
37	HCL Technologies Denmark Aps	Denmark	100%	0.47	304	0.27	41	-	-	0.28	41
38	HCL Technologies Norway AS	Norway	100%	0.18	115	0.31	46	-	-	0.31	46
39	PT. HCL Technologies Indonesia Limited	Indonesia	100%	0.05	32	0.04	6	-	-	0.04	6
40	HCL Technologies Philippines Inc.	Philippines	100%	0.19	123	0.15	23	-	-	0.16	23
41	HCL Technologies South Africa (Proprietary) Limited	South Africa	36.40%	0.01	5	(0.00)	(0)	-	-	-	-
42	HCL Arabia LLC	Saudi Arabia	100%	0.15	95	0.01	2	-	-	0.01	2
43	HCL Technologies France SAS	France	100%	0.43	279	0.38	57	-	-	0.39	57
44	Filial Espanola De HCL Technologies S.L	Spain	100%	0.07	46	0.10	16	-	-	0.11	16
45	Anzospan Investments Pty Limited	South Africa	70%	(0.09)	(60)	0.07	11	-	-	0.07	11
46	HCL Investments (UK) Limited	UK	100%	0.96	626	0.13	19	-	-	0.13	19
47	HCL America Solutions Inc.	USA	100%	(0.12)	(81)	0.47	70	-	-	0.47	70
48	HCL Technologies Chile Spa	Chile	100%	0.09	60	0.05	8	-	-	0.05	8

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

S. No.	Name of the Entity	Country of incorporation	Percentage holding as at 31 March 2023	Net Assets, i.e. total assets minus liabilities as at		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
				31 March 2023							
				As % of consolidate	Amount	As % of consolidate	Amount	As % of consolidate	Amount	As % of consolidate	Amount
49	HCL Technologies UK Limited	UK	100%	6.82	4,457	1.35	203	-	-	1.38	203
50	Statestreet HCL Holding UK Limited *	UK	100%	(0.00)	(0)	(0.00)	(0)	-	-	-	-
51	Statestreet HCL Services (Phillipines) Inc. *	Philippines	100%	0.04	27	(0.02)	(4)	-	-	(0.03)	(4)
52	HCL Technologies B.V.	Netherlands	100%	0.41	270	0.35	53	-	-	0.36	53
53	HCL (Ireland) Information Systems Limited	Ireland	100%	0.29	189	0.59	88	-	-	0.60	88
54	HCL Technologies Germany Gmbh	Germany	100%	0.46	299	0.99	149	(12.08)	29	1.21	178
55	HCL Technologies Belgium BV (Formerly "HCL Technologies Belgium BVBA")	Belgium	100%	0.65	424	0.17	25	-	-	0.17	25
56	HCL Technologies Sweden AB	Sweden	100%	2.26	1,481	1.52	228	-	-	1.55	228
57	HCL Technologies Finland Oy	Finland	100%	0.44	290	0.31	46	-	-	0.31	46
58	HCL Technologies Italy S.P.A	Italy	100%	(0.05)	(34)	0.18	27	-	-	0.18	27
59	HCL Technologies Columbia S.A.S	Columbia	100%	0.04	24	(0.01)	(3)	-	-	(0.02)	(3)
60	HCL Technologies Middle East FZ-LLC	UAE	100%	0.16	104	0.08	13	-	-	0.09	13
61	HCL Istanbul Bilisim Teknolojileri Limited Sirketi	Turkey	100%	0.03	22	0.01	2	-	-	0.01	2
62	HCL Technologies Greece Single Member P.C	Greece	100%	0.02	11	0.00	0	-	-	-	-
63	HCL Technologies S.A.	Venezuela	100%	0.00	1	(0.00)	(0)	-	-	-	-
64	HCL Technologies Beijing Co., Ltd	China	100%	0.02	14	0.03	5	-	-	0.03	5
65	HCL Technologies Luxembourg S.a r.l	Luxembourg	100%	0.01	5	0.01	1	-	-	0.01	1
66	HCL Technologies Egypt Limited	Egypt	100%	0.03	19	(0.00)	(0)	-	-	-	-
67	HCL Technologies Estonia OÜ	Estonia	100%	0.01	4	0.00	0	-	-	-	-
68	HCL Technologies (Thailand) Ltd.	Thailand	100%	0.07	44	0.05	7	-	-	0.05	7
69	HCL Technologies Czech Republic s.r.o.	Czech Republic	100%	0.15	95	0.16	24	-	-	0.16	24
70	HCL Muscat Technologies L.L.C.	Oman	100%	0.01	9	0.01	1	-	-	0.01	1
71	Point To Point Limited	UK	100%	0.06	42	-	-	-	-	-	-
72	Point To Point Products Limited	UK	100%	0.01	6	-	-	-	-	-	-
73	HCL Technologies Lithuania UAB	Lithuania	100%	0.02	15	0.03	5	-	-	0.03	5
74	HCL Technologies (Taiwan) Ltd.	China	100%	0.09	62	0.02	4	-	-	0.03	4
75	Geometric Americas, Inc.	USA	100%	0.40	260	0.02	3	-	-	0.02	3
76	HCL Asia Pacific Pte Ltd.	Singapore	100%	0.05	36	0.01	2	-	-	0.01	2
77	Geometric Europe GmbH	Germany	100%	0.14	92	0.02	3	-	-	0.02	3
78	Geometric China, Inc.	China	100%	0.01	5	0.00	(1)	-	-	(0.01)	(1)
79	Butler America Aerospace LLC	USA	100%	0.96	627	(0.01)	(3)	-	-	(0.02)	(3)
80	HCL Lending Solutions, LLC (Formerly "Urban Fulfillment Services LLC")	USA	100%	0.11	71	(0.23)	(34)	-	-	(0.23)	(34)

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

S. No.	Name of the Entity	Country of incorporation	Percentage holding as at 31 March 2023	Net Assets, i.e. total assets minus liabilities as at		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
				31 March 2023							
				As % of consolidate	Amount	As % of consolidate	Amount	As % of consolidate	Amount	As % of consolidate	Amount
81	Datawave (An HCL Technologies Company) Limited	Scotland	100%	0.05	31	(0.00)	(2)	-	-	(0.01)	(2)
82	HCL Technologies Corporate Services Limited	UK	100%	11.55	7,551	0.00	0	-	-	-	-
83	Telerx Marketing Inc.	USA	100%	0.46	302	0.35	52	-	-	0.35	52
84	C3i Europe Eood	Bulgaria	100%	(0.05)	(30)	0.15	22	-	-	0.15	22
85	C3i (UK) Limited	UK	0%	-	-	0.01	1	-	-	0.01	1
86	C3i Japan GK	Japan	100%	0.02	11	0.05	8	-	-	0.05	8
87	C3i Services &Technologies (Dalian) Co., Ltd	China	100%	0.04	24	0.10	15	-	-	0.10	15
88	HCL Technologies SEP Holdings Inc	USA	100%	-	-	2.14	320	-	-	2.17	320
89	Actian Corporation (and including its subsidiaries)	USA	100%	4.22	2,763	1.96	294	-	-	1.99	294
90	HCL Technologies Vietnam Company Limited	Vietnam	100%	0.01	9	0.00	0	-	-	-	-
91	HCL Guatemala, Sociedad Anonima	Guatemala	100%	0.03	17	0.18	28	-	-	0.19	28
92	Sankalp Semiconductor Inc.	Canada	100%	0.01	9	0.00	0	-	-	-	-
93	Sankalp USA Inc.	USA	0%	0.00	2	0.00	1	-	-	0.01	1
94	Sankalp Semiconductor GmbH.	Germany	100%	0.00	0	0.00	0	-	-	-	-
95	Sankalp Semiconductor SDN.BHD.	Malaysia	100%	0.00	0	(0.00)	(0)	-	-	-	-
96	H C L Technologies Lanka (Private) Limited	Sri Lanka	100%	0.12	78	0.84	126	-	-	0.85	126
97	HCL TECHNOLOGIES TRINIDAD AND TOBAGO LIMITED	Trinidad and Tobago	100%	0.01	8	0.00	0	-	-	-	-
98	HCL Technologies Azerbaijan Limited Liability Company	Azerbaijan	100%	0.00	0	(0.00)	(0)	-	-	-	-
99	HCL Technologies Bulgaria EOOD	Bulgaria	100%	0.00	(4)	0.06	10	-	-	0.07	10
100	HCL Vietnam Company Limited (Formerly known as HCL Technologies (Vietnam) Company Limited)	Vietnam	100%	0.07	47	(0.36)	(54)	-	-	(0.37)	(54)
101	HCL Technologies Angola (SU), LDA	Angola	100%	0.05	33	0.01	2	-	-	0.01	2
102	HCL Technologies S.A.C.	Peru	100%	0.00	3	0.00	0	-	-	-	-
103	DWS Pty Limited (Formely "DWS Limited")	Australia	100%	0.81	530	(0.31)	(46)	-	-	(0.31)	(46)
104	Wallis Nominees (Computing) Pty Ltd	Australia	100%	0.00	1	0.22	34	-	-	0.23	34
105	DWS (NSW) Pty Ltd	Australia	100%	0.11	72	0.12	18	-	-	0.12	18
106	Projects Assured Pty Ltd	Australia	100%	0.68	446	0.69	104	-	-	0.71	104
107	Symplicit Pty Ltd	Australia	100%	0.00	3	(0.10)	(14)	-	-	(0.09)	(14)
108	Phoenix IT & T Consulting Pty Ltd	Australia	100%	0.00	0	0.02	3	-	-	0.02	3
109	DWS Product Solutions Pty Ltd	Australia	100%	0.00	0	(0.04)	(5)	-	-	(0.03)	(5)
110	Graeme V Jones & Associates Pty Ltd	Australia	100%	0.00	0	(0.03)	(5)	-	-	(0.03)	(5)
111	SDM Sales Pty Ltd	Australia	100%	0.00	0	(0.00)	(1)	-	-	0.00	(1)

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

S. No.	Name of the Entity	Country of incorporation	Percentage holding as at 31 March 2023	Net Assets, i.e. total assets minus liabilities as at		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
				31 March 2023							
				As % of consolidate	Amount	As % of consolidate	Amount	As % of consolidate	Amount	As % of consolidate	Amount
112	Strategic Data Management Pty Ltd	Australia	100%	0.00	0	0.00	0	-	-	-	-
113	DWS (New Zealand) Ltd	New Zealand	100%	0.01	4	0.03	4	-	-	0.03	4
114	HCL Technologies Costa Rica Sociedad De Responsabilidad Limitada	Costa Rica	100%	0.01	9	0.02	3	-	-	0.02	3
115	HCL Technologies gbs GmbH (Formerly "gbs-Gesellschaft für Banksysteme GmbH")	Germany	51%	(0.01)	(5)	(0.08)	(12)	(3.33)	8	(0.03)	(4)
116	HCL Technologies Slovakia s. r. o.	Slovakia	100%	0.00	1	0.00	0	-	-	-	-
117	HCL Technologies Bahrain W.L.L	Bahrain	100%	0.00	2	(0.00)	(0)	-	-	-	-
118	HCL Technologies Morocco Limited	Morocco	100%	0.02	10	0.00	0	-	-	-	-
119	Starschema Inc	USA	100%	0.06	40	0.06	9	-	-	0.06	9
120	Brilliant Data LLC	USA	100%	0.00	2	0.00	0	-	-	-	-
121	Manzina Tech GmbH	Switzerland	100%	0.00	0	(0.00)	(0)	-	-	-	-
122	Confinale AG	Switzerland	100%	0.73	477	(0.15)	(23)	-	-	(0.16)	(23)
123	Confinale (Deutschland) GmbH	Germany	100%	0.03	17	0.03	4	-	-	0.03	4
124	Confinale (UK) Limited	UK	100%	0.00	3	0.01	2	-	-	0.01	2
Total				100.00	65,398	100.00	14,980	100.00	(240)	100.00	14,740
Non controlling interest					7		6		-		6
Consolidation adjustments					-		(135)		1,541		1,406
Consolidated Net assets / Profit after tax					**65,405**		**14,851**		**1,301**		**16,152**

Note: Dividend received from subsidiaries has been excluded from profits.

* The Group has equity interest of 49% and 100% dividend rights and control.

3.35 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	Country of incorporation	Percentage holding as at 31 March 2022	Net Assets, i.e. total assets minus liabilities as at		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
				31 March 2022							
				As % of consolidate	Amount	As % of consolidate	Amount	As % of consolidate	Amount	As % of consolidate	Amount
Parent	HCL Technologies Limited	India	NA	55.37	34,331	79.79	10,790	-	288	80.13	11,078
Subsidiaries											
Indian											
1	HCL Comnet Systems & Services Limited	India	100%	0.02	10	(0.01)	(2)	-	-	(0.01)	(2)
2	Statestreet HCL Services (India) Private Limited *	India	100%	0.69	427	(0.21)	(29)	-	1	(0.20)	(28)
3	HCL Software Products Limited	India	100%	0.16	101	0.90	122	-	-	0.88	122
4	HCL Training & Staffing Services Private Limited	India	100%	0.02	14	0.11	15	-	-	0.11	15
5	C3i Support Services Private Limited	India	100%	0.11	70	0.07	9	-	-	0.07	9
6	Sankalp Semiconductor Private Limited	India	100%	0.33	205	0.15	20	-	-	0.14	20
7	Sankguj Semiconductor Private Limited	India	100%	0.00	0	(0.00)	(0)	-	-	-	-

Notes to consolidated financial statements for the year ended 31 March 2023

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

S. No.	Name of the Entity	Country of incorporation	Percentage holding as at 31 March 2022	Net Assets, i.e. total assets minus liabilities as at		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
				31 March 2022							
				As % of consolidate	Amount	As % of consolidate	Amount	As % of consolidate	Amount	As % of consolidate	Amount
Foreign											
8	HCL Bermuda Limited	Bermuda	100%	0.01	4	(0.01)	(2)	-	-	(0.01)	(2)
9	HCL Technologies (Shanghai) Limited	China	100%	0.29	180	0.09	13	-	-	0.09	13
10	HCL Singapore Pte. Limited	Singapore	100%	0.37	227	0.50	67	-	-	0.48	67
11	HCL Great Britain Limited	UK	100%	0.28	174	0.05	7	-	-	0.05	7
12	HCL Australia Services Pty. Limited	Australia	100%	0.45	278	0.23	31	-	-	0.22	31
13	HCL (New Zealand) Limited	New Zealand	100%	0.26	159	0.15	20	-	-	0.14	20
14	HCL Hong Kong SAR Limited	Hong Kong	100%	0.05	34	0.07	10	-	-	0.07	10
15	HCL Japan Limited	Japan	100%	0.38	233	0.29	39	-	-	0.28	39
16	HCL America Inc.	USA	100%	7.96	4,936	5.29	715	-	-	5.17	715
17	HCL Technologies Austria GmbH	Austria	100%	0.00	2	0.05	6	-	-	0.04	6
18	HCL Poland Sp.z.o.o	Poland	100%	0.09	53	0.26	35	-	-	0.25	35
19	HCL EAS Limited	UK	100%	0.53	329	0.06	8	-	-	0.06	8
20	HCL Insurance BPO Services Limited	UK	100%	0.07	45	0.22	30	-	-	0.22	30
21	Axon Group Limited	UK	100%	0.02	9	(0.03)	(4)	-	-	(0.03)	(4)
22	HCL Canada Inc.	Canada	100%	0.58	361	0.71	96	-	-	0.69	96
23	HCL Technologies Solutions GmbH	Switzerland	100%	0.25	155	0.07	10	-	-	0.07	10
24	Axon Solutions Pty. Limited	Australia	100%	0.00	0	0.00	0	-	-	-	-
25	Axon Solutions Limited	UK	100%	0.25	157	0.11	15	-	-	0.11	15
26	HCL Technologies Malaysia Sdn. Bhd.	Malaysia	100%	0.08	52	0.14	19	-	-	0.14	19
27	Axon Solutions (Shanghai) Co. Limited	China	100%	0.99	612	0.23	31	-	-	0.22	31
28	HCL Technologies (Proprietary) Ltd	South Africa	48.16%	0.62	382	0.37	50	-	-	0.36	50
29	HCL Argentina s.a.	Argentina	100%	0.04	23	0.01	1	-	-	0.01	1
30	HCL Mexico S. de R.L.	Mexico	100%	0.20	122	0.25	34	-	-	0.25	34
31	HCL Technologies Romania s.r.l.	Romania	100%	0.03	19	0.05	7	-	-	0.05	7
32	HCL Hungary Kft	Hungary	100%	0.52	322	(0.04)	(6)	-	-	(0.04)	(6)
33	HCL Latin America Holding LLC	USA	100%	0.03	20	(0.06)	(8)	-	-	(0.06)	(8)
34	HCL (Brazil) Technologia da informacao EIRELI	Brazil	100%	0.39	242	0.23	31	-	-	0.22	31
35	HCL Technologies Denmark Aps	Denmark	100%	0.25	155	0.23	31	-	-	0.22	31
36	HCL Technologies Norway AS	Norway	100%	0.18	110	0.15	20	-	-	0.14	20
37	PT. HCL Technologies Indonesia Limited	Indonesia	100%	0.05	30	0.01	1	-	-	0.01	1
38	HCL Technologies Philippines Inc.	Philippines	100%	0.22	136	0.22	29	-	-	0.21	29
39	HCL Technologies South Africa (Proprietary) Limited	South Africa	36.40%	0.04	27	0.01	1	-	-	0.01	1
40	HCL Arabia LLC	Saudi Arabia	100%	0.08	51	0.07	9	-	-	0.07	9

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

S. No.	Name of the Entity	Country of incorporation	Percentage holding as at 31 March 2022	Net Assets, i.e. total assets minus liabilities as at		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
				31 March 2022							
				As % of consolidate	Amount	As % of consolidate	Amount	As % of consolidate	Amount	As % of consolidate	Amount
41	HCL Technologies France SAS	France	100%	0.36	223	0.28	38	-	-	0.27	38
42	Filial Espanola De HCL Technologies S.L	Spain	100%	0.06	38	0.05	7	-	-	0.05	7
43	Anzospan Investments Pty Limited	South Africa	70%	0.00	2	(0.00)	(0)	-	-	-	-
44	HCL Investments (UK) Limited	UK	100%	0.94	584	0.26	35	-	-	0.25	35
45	HCL America Solutions Inc.	USA	100%	(0.34)	(213)	0.39	52	-	-	0.38	52
46	HCL Technologies Chile Spa	Chile	100%	0.11	66	0.04	5	-	-	0.04	5
47	HCL Technologies UK Limited	UK	100%	4.82	2,988	0.73	99	-	-	0.72	99
48	Statestreet HCL Holding UK Limited *	UK	100%	-	-	(0.00)	(0)	-	-	-	-
49	Statestreet HCL Services (Phillipines) Inc. *	Philippines	100%	0.05	30	(0.01)	(1)	-	-	(0.01)	(1)
50	HCL Technologies B.V.	Netherlands	100%	0.19	120	0.34	46	-	-	0.33	46
51	HCL (Ireland) Information Systems Limited	Ireland	100%	0.16	99	0.63	85	-	-	0.61	85
52	HCL Technologies Germany Gmbh	Germany	100%	0.50	310	0.28	38	-	13	0.37	51
53	HCL Technologies Belgium BV (Formerly "HCL Technologies Belgium BVBA")	Belgium	100%	0.31	193	0.10	14	-	-	0.10	14
54	HCL Technologies Sweden AB	Sweden	100%	2.61	1,618	1.70	230	-	-	1.66	230
55	HCL Technologies Finland Oy	Finland	100%	0.36	224	0.41	56	-	-	0.41	56
56	HCL Technologies Italy S.P.A	Italy	100%	(0.01)	(4)	0.18	24	-	-	0.17	24
57	HCL Technologies Columbia S.A.S	Columbia	100%	0.05	28	(0.01)	(1)	-	-	(0.01)	(1)
58	HCL Technologies Middle East FZ-LLC	UAE	100%	0.08	49	(0.02)	(2)	-	-	(0.01)	(2)
59	HCL Istanbul Bilisim Teknolojileri Limited Sirketi	Turkey	100%	0.01	8	0.02	3	-	-	0.02	3
60	HCL Technologies Greece Single Member P.C	Greece	100%	0.01	7	0.00	1	-	-	0.01	1
61	HCL Technologies S.A.	Venezuela	100%	0.00	1	0.00	0	-	-	-	-
62	HCL Technologies Beijing Co., Ltd	China	100%	0.05	32	0.02	2	-	-	0.01	2
63	HCL Technologies Luxembourg S.a r.l	Luxembourg	100%	0.01	6	0.01	1	-	-	0.01	1
64	HCL Technologies Egypt Limited	Egypt	100%	0.02	14	0.01	1	-	-	0.01	1
65	HCL Technologies Estonia OÜ	Estonia	100%	0.01	6	0.00	0	-	-	-	-
66	HCL Technologies (Thailand) Ltd.	Thailand	100%	0.03	20	0.03	4	-	-	0.03	4
67	HCL Technologies Czech Republic s.r.o.	Czech Republic	100%	0.14	90	0.14	19	-	-	0.14	19
68	HCL Muscat Technologies L.L.C.	Oman	100%	0.01	6	0.00	0	-	-	-	-
69	Point To Point Limited	UK	100%	0.07	41	(0.00)	(0)	-	-	-	-
70	Point To Point Products Limited	UK	100%	0.01	6	0.00	0	-	-	-	-
71	HCL Technologies Lithuania UAB	Lithuania	100%	0.00	0	0.08	10	-	-	0.07	10

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

S. No.	Name of the Entity	Country of incorporation	Percentage holding as at 31 March 2022	Net Assets, i.e. total assets minus liabilities as at		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
				31 March 2022							
				As % of consolidate	Amount	As % of consolidate	Amount	As % of consolidate	Amount	As % of consolidate	Amount
72	HCL Technologies (Taiwan) Ltd.	China	100%	0.08	48	0.03	4	-	-	0.03	4
73	Geometric Americas, Inc.	USA	100%	0.49	302	0.17	23	-	-	0.17	23
74	HCL Asia Pacific Pte Ltd.	Singapore	100%	0.05	31	0.04	5	-	-	0.04	5
75	Geometric Europe GmbH	Germany	100%	0.14	89	(0.00)	(0)	-	-	-	-
76	Geometric China, Inc.	China	100%	0.03	19	0.00	0	-	-	-	-
77	Butler America Aerospace LLC	USA	100%	1.00	620	(0.27)	(37)	-	-	(0.27)	(37)
78	HCL Lending Solutions, LLC (formely "Urban Fulfillment Services LLC")	USA	100%	0.13	80	0.36	48	-	-	0.35	48
79	Datawave (An HCL Technologies Company) Limited	Scotland	100%	0.06	39	0.00	0	-	-	-	-
80	HCL Technologies Corporate Services Limited	UK	100%	8.63	5,351	0.00	1	-	-	0.01	1
81	Telerx Marketing Inc.	USA	100%	0.38	234	0.89	121	-	-	0.88	121
82	C3i Europe Eood	Bulgaria	100%	0.01	6	0.19	26	-	-	0.19	26
83	C3i (UK) Limited	UK	100%	-	-	(0.01)	(1)	-	-	(0.01)	(1)
84	C3i Japan GK	Japan	100%	0.01	4	0.00	0	-	-	-	-
85	C3i Services &Technologies (Dalian) Co., Ltd	China	100%	0.05	33	0.05	7	-	-	0.05	7
86	HCL Technologies SEP Holdings Inc	USA	100%	0.31	194	(0.36)	(48)	-	-	(0.35)	(48)
87	Actian Corporation (and including its subsidiaries)	USA	100%	3.73	2,315	1.19	161	-	-	1.16	161
88	HCL Technologies Vietnam Company Limited	Vietnam	100%	0.01	5	0.00	1	-	-	0.01	1
89	HCL Guatemala, Sociedad Anonima	Guatemala	100%	0.01	5	0.18	25	-	-	0.18	25
90	Sankalp Semiconductor Inc.	Canada	100%	0.01	8	0.00	0	-	-	-	-
91	Sankalp USA Inc.	USA	100%	0.00	3	0.01	1	-	-	0.01	1
92	Sankalp Semiconductor GmbH.	Germany	100%	-	-	(0.00)	(0)	-	-	-	-
93	Sankalp Semiconductor SDN.BHD	Malaysia	100%	-	-	(0.00)	(0)	-	-	-	-
94	H C L Technologies Lanka (Private) Limited	Sri Lanka	100%	0.10	60	0.63	85	-	-	0.61	85
95	HCL TECHNOLOGIES TRINIDAD AND TOBAGO LIMITED	Trinidad and Tobago	100%	0.01	5	0.00	0	-	-	-	-
96	HCL Technologies Azerbaijan Limited Liability Company	Azerbaijan	100%	-	-	(0.00)	(0)	-	-	-	-
97	HCL Technologies Bulgaria EOOD	Bulgaria	100%	0.00	1	0.02	2	-	-	0.01	2
98	HCL Vietnam Company Limited (Formerly known as HCLTechnologies (Vietnam) Company Limited)	Vietnam	100%	0.06	34	(0.27)	(36)	-	-	(0.26)	(36)
99	HCL Technologies Angola (SU), LDA	Angola	100%	0.01	6	0.00	1	-	-	0.01	1
100	HCL Technologies S.A.C.	Peru	100%	0.00	1	0.00	0	-	-	-	-
101	DWS Pty Limited (Formely "DWS Limited")	Australia	100%	0.87	539	(0.48)	(65)	-	-	(0.47)	(65)

Notes to consolidated financial statements for the year ended 31 March 2023

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

S. No.	Name of the Entity	Country of incorporation	Percentage holding as at 31 March 2022	Net Assets, i.e. total assets minus liabilities as at		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
				31 March 2022							
				As % of consolidate	Amount	As % of consolidate	Amount	As % of consolidate	Amount	As % of consolidate	Amount
102	Wallis Nominees (Computing) Pty Ltd	Australia	100%	0.07	42	0.39	53	-	-	0.38	53
103	DWS (NSW) Pty Ltd	Australia	100%	0.09	56	0.12	17	-	-	0.12	17
104	Projects Assured Pty Ltd	Australia	100%	0.76	471	0.73	98	-	-	0.71	98
105	Symplicit Pty Ltd	Australia	100%	0.01	7	(0.02)	(3)	-	-	(0.00)	(3)
106	Phoenix IT & T Consulting Pty Ltd	Australia	100%	0.00	0	0.00	0	-	-	-	-
107	DWS Product Solutions Pty Ltd	Australia	100%	0.00	0	0.00	0	-	-	-	-
108	Graeme V Jones & Associates Pty Ltd	Australia	100%	0.00	0	(0.00)	(0)	-	-	-	-
109	SDM Sales Pty Ltd	Australia	100%	0.00	0	(0.00)	(0)	-	-	-	-
110	Strategic Data Management Pty Ltd	Australia	100%	0.00	0	0.00	0	-	-	-	-
111	DWS (New Zealand) Ltd	New Zealand	100%	0.00	0	(0.00)	(0)	-	-	-	-
112	HCL Technologies Costa Rica Sociedad De Responsabilidad Limitada	Costa Rica	100%	0.00	2	0.00	0	-	-	-	-
113	gbs - Gesellschaft fur Banksysteme GmbH	Germany	51%	(0.00)	(2)	(0.03)	(4)	-	-	(0.03)	(4)
114	HCL Technologies Slovakia s. r. o.	Slovakia	100%	-	-	-	-	-	-	-	-
115	HCL Technologies Bahrain W.L.L	Bahrain	100%	-	-	-	-	-	-	-	-
116	HCL Technologies Morocco Limited	Morocco	100%	-	-	-	-	-	-	-	-
Associates											
Foreign											
117	Austin GIS, Inc.	USA	13.9%	0.01	9	0.00	1	-	-	0.01	1
Total				100.00	62,006	100.00	13,523	-	302	100.00	13,825
Non controlling interest					(92)		(24)		(5)		(29)
Consolidation adjustments					-		-		455		455
Consolidated Net assets / Profit after tax					**61,914**		**13,499**		**752**		**14,251**

Note: Dividend received from subsidiaries has been excluded from profits.

* The Group has equity interest of 49% and 100% dividend rights and control.

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

3.36 Subsequent events

The Board of Directors at its meeting held on 20 April 2023 has declared an interim dividend of ₹ 18 per share.

As per our report of even date attached

For B S R & Co. LLP Chartered Accountants Firm's Registration No. : 101248W/W-100022	For and on behalf of the Board of Directors of HCL Technologies Limited		
Rakesh Dewan **Partner** Membership Number: 092212	**Roshni Nadar Malhotra** Chairperson DIN - 02346621	**C. Vijayakumar** Chief Executive Officer and Managing Director DIN - 09244485	**S. Madhavan** Director DIN - 06451889
	Prateek Aggarwal Chief Financial Officer	**Goutam Rungta** Corporate Vice President - Finance	**Manish Anand** Company Secretary
Gurugram, India 20 April 2023	Noida (UP), India 20 April 2023		

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	Date of acquisition / incorporation	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	Extent of shareholding (in percentage)
1	HCL Comnet Systems & Services Limited	24-Aug-1999	31-Mar-2023	INR	1.00	12,800	22,872	301,739	266,067	138,365	4,739	6,016	153	5,863	-	100%
2	HCL Bermuda Limited	10-Dec-1997	31-Mar-2023	USD	82.18	37,781,829	51,708,696	89,490,525	-	14,827	-	263,953	-	263,953	-	100%
3	HCL Technologies (Shanghai) Limited	23-Jul-2007	31-Dec-2022	CNY	11.98	183,523	1,062,100	3,339,455	2,093,832	-	2,026,125	318,978	49,814	269,164	-	100%
4	HCL Singapore Pte. Limited	1-Jan-2003	31-Mar-2023	SGD	61.81	125,779	3,688,799	9,329,884	5,515,306	-	20,675,376	1,189,618	148,687	1,040,931	-	100%
5	HCL Training & Staffing Services Private Limited	29-Feb-2016	31-Mar-2023	INR	1.00	17,513	(557,800)	595,307	1,135,594	99,462	558,174	(561,119)	(110,404)	(450,715)	-	100%
6	HCL Great Britain Limited (Note 8)	7-Jan-1997	31-Mar-2023	GBP	101.64	-	2,948	52,449	49,501	-	-	(10,368)	(610)	(9,758)	-	100%
7	HCL Australia Services Pty. Limited (Note 7)	21-May-1998	31-Mar-2023	AUD	55.03	4,506,919	5,588,657	20,623,632	10,528,056	-	35,595,905	2,209,099	680,968	1,528,131	-	100%
8	HCL (New Zealand) Limited	28-Jan-1998	31-Mar-2023	NZD	51.43	2,387	782,212	2,793,147	2,008,548	-	4,240,064	134,252	42,455	91,797	-	100%
9	HCL Hong Kong SAR Limited	5-Jun-1998	31-Dec-2022	HKD	10.61	2,050	228,856	539,621	308,715	-	843,631	70,432	8,053	62,379	-	100%
10	HCL Japan Limited	10-Feb-1998	31-Mar-2023	JPY	0.62	135,784	1,315,654	8,153,100	6,701,662	-	12,529,541	538,838	210,238	328,600	-	100%
11	HCL America Inc.	17-Jan-1995	31-Mar-2023	USD	82.18	614,227	119,842,975	219,001,472	98,544,270	788,830	292,880,994	16,412,302	4,250,919	12,161,383	-	100%
12	HCL Technologies Austria GmbH	1-Mar-1997	31-Mar-2023	EUR	89.47	42,265	7,850,381	8,612,189	719,543	-	1,448,445	104,815	26,056	78,759	-	100%
13	HCL Software Products Limited	22-Feb-1999	31-Mar-2023	INR	1.00	1,061	3,896,149	7,087,031	3,189,821	1,354,671	20,445,828	1,733,928	676,400	1,057,528	-	100%
14	HCL Technologies (Taiwan) Ltd.	15-Dec-2016	31-Mar-2023	TWD	2.70	29,663	124,420	1,103,035	948,952	-	810,665	43,284	11,637	31,647	-	100%
15	HCL Technologies Lithuania UAB	26-Aug-2016	31-Mar-2023	EUR	89.47	32,211	403,717	642,391	206,463	-	1,296,292	62,987	10,729	52,258	-	100%
16	HCL Poland Sp.z.o.o	31-May-2007	31-Mar-2023	PLN	19.12	264,801	2,123,911	4,508,920	2,120,208	-	9,031,885	503,615	(4,793)	508,408	-	100%
17	HCL EAS Limited	11-Sep-2008	31-Dec-2022	USD	82.73	13,035,791	(9,309,577)	59,159,000	55,432,786	-	173,743	1,990,850	-	1,990,850	-	100%
18	HCL Insurance BPO Services Limited	1-Sep-2008	31-Mar-2023	GBP	101.64	824,338	191,702	1,312,639	296,599	-	2,115,021	211,421	-	211,421	-	100%
19	Axon Group Limited	15-Dec-2008	31-Dec-2022	GBP	99.53	67,481	19,212,027	19,567,048	287,540	-	-	3,122,033	28,565	3,093,468	-	100%
20	HCL Canada Inc.	15-Dec-2008	31-Mar-2023	CAD	60.67	12,579	7,266,655	13,827,489	6,548,255	-	27,832,483	2,029,747	559,013	1,470,734	-	100%
21	HCL Technologies Solution GmbH	15-Dec-2008	31-Mar-2023	CHF	89.59	10,751	572,314	4,189,953	3,606,888	-	6,097,010	71,047	22,756	48,291	-	100%
22	Axon Solutions Limited (Note 8)	15-Dec-2008	31-Mar-2023	GBP	101.64	-	714,968	959,322	244,354	-	-	(2,439)	1,017	(3,456)	-	100%
23	HCL Technologies Malaysia Sdn. Bhd.	15-Dec-2008	31-Dec-2022	MYR	18.79	1,504,668	846,460	2,931,743	580,615	-	3,037,186	259,448	61,557	197,891	-	100%
24	HCL Axon Solutions (Shanghai) Co. Limited (Formerly "Axon Solutions (Shanghai) Co. Limited")	15-Dec-2008	31-Dec-2022	CNY	11.98	24,794	2,383,047	8,675,731	6,267,890	-	4,885,699	537,343	114,131	423,212	-	100%
25	HCL Technologies (Proprietary) Ltd. (Note 10)	15-Dec-2008	31-Mar-2023	ZAR	4.62	401,931	2,320,435	5,364,332	2,641,966	-	9,680,164	786,124	217,613	568,511	-	48%
26	HCL Argentina s.a.	27-Jul-2009	31-Mar-2023	ARS	0.40	1,745	(30,474)	534,705	563,434	-	609,150	(10,870)	165,846	(176,716)	-	100%
27	HCL Technologies Mexico S. de R.L.	25-Jun-2009	31-Dec-2022	MXN	4.23	1,207,974	594,929	7,382,471	5,579,568	-	12,387,616	761,460	444,280	317,180	-	100%
28	HCL Technologies Romania s.r.l.	28-May-2009	31-Dec-2022	RON	17.87	6,312	346,744	1,588,439	1,235,383	-	3,179,045	194,715	23,268	171,447	-	100%
29	HCL Technologies Starschema Kft. (Formerly "HCL Hungary Kft")	12-May-2009	31-Dec-2022	HUF	0.22	135,995	1,073,498	3,744,078	2,534,585	-	315,243	(180,831)	1,012	(181,843)	-	100%
30	HCL Latin America Holding LLC	30-Mar-2009	31-Mar-2023	USD	82.18	3,418,250	(797,172)	3,201,138	580,060	-	466,685	(7,314)	26,786	(34,100)	-	100%
31	HCL (Brazil) Tecnologia da Informacao LTDA (Formerly "HCL (Brazil) Technologia da informacao EIRELI")	30-Dec-2008	31-Dec-2022	BRL	15.68	1,293,374	(122,270)	6,007,004	4,835,900	-	6,624,141	415,249	(105,367)	520,616	-	100%
32	HCL Technologies Denmark Apps	23-Jun-2010	31-Dec-2022	DKK	11.89	38,854	1,835,727	4,965,342	3,090,761	-	6,228,908	330,615	72,800	257,815	-	100%
33	HCL Technologies Norway AS	9-Jun-2010	31-Mar-2023	NOK	7.85	23,496	2,522,209	3,932,334	1,386,629	-	4,360,034	582,132	134,036	448,096	-	100%
34	PT. HCL Technologies Indonesia Limited	13-Aug-2010	31-Mar-2023	IDR	0.01	56,992	189,849	599,550	352,709	-	561,273	52,789	25,055	27,734	-	100%
35	HCL Technologies Philippines Inc.	24-Nov-2010	31-Mar-2023	PHP	1.51	410,754	1,472,982	3,069,874	1,186,138	-	4,077,524	271,775	92,529	179,246	-	100%

(Amount in ₹ Thousand)

S.No	Name of the Subsidiary Company	Date of acquisition / incorporation	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	Extent of shareholding (in percentage)
36	HCL Technologies South Africa (Proprietary) Limited (Note 10)	14-Sep-2010	31-Mar-2023	ZAR	4.62	1,229,933	19,238	1,309,278	60,107	-	68,451	255,479	3,495	251,984	-	36%
37	HCL Arabia LLC	7-May-2011	31-Dec-2022	SAR	22.02	134,310	298,748	1,842,793	1,409,735	-	1,715,162	122,645	24,445	98,200	-	100%
38	HCL Technologies France SAS	7-Mar-2011	31-Mar-2023	EUR	89.47	225,117	2,157,464	9,850,036	7,467,455	-	14,843,304	594,762	134,244	460,518	-	100%
39	Filial Espanola De HCL Technologies S.L	12-Jan-2011	31-Dec-2022	EUR	88.15	26,446	454,624	2,521,906	2,040,836	-	2,665,281	284,528	98,811	185,717	-	100%
40	Anzospan Investments Pty Limited (Note 10)	15-Mar-2011	31-Mar-2023	ZAR	4.62	283,847	1,014,405	1,555,342	257,090	-	-	484,741	-	484,741	-	70%
41	HCL Investments (UK) Limited	9-Nov-2011	31-Dec-2022	USD	82.73	882,426	3,257,227	7,569,355	3,429,702	-	195,441	126,913	22,528	104,385	-	100%
42	HCL America Solutions Inc.	26-Jun-2012	31-Mar-2023	USD	82.18	822	1,391,810	6,045,590	4,652,958	-	24,017,113	979,358	269,325	710,033	-	100%
43	HCL Technologies Chile Spa	10-Jun-2013	31-Dec-2022	CLP	0.10	58,069	407,014	848,765	383,682	-	904,806	104,626	17,212	87,414	-	100%
44	HCL Technologies UK Limited	20-Aug-2013	31-Mar-2023	GBP	101.64	21,001,708	15,974,569	64,421,236	27,444,959	295,786	78,552,784	9,890,021	983,208	8,906,813	-	100%
45	HCL Technologies B.V.	19-Sep-2013	31-Mar-2023	EUR	89.47	8,947	1,150,625	6,269,976	5,110,404	-	16,266,183	746,086	198,018	548,068	-	100%
46	HCL (Ireland) Information Systems Limited	29-Oct-2013	31-Mar-2023	EUR	89.47	8,947	558,409	3,553,738	2,986,382	-	10,259,028	1,075,749	138,775	936,974	-	100%
47	HCL Technologies Germany GmbH	21-Nov-2013	31-Mar-2023	EUR	89.47	604,146	1,708,378	19,492,249	17,179,725	-	38,910,339	1,958,674	554,960	1,403,714	-	100%
48	HCL Technologies Belgium BV (Formerly "HCL Technologies Belgium BVBA")	25-Nov-2013	31-Mar-2023	EUR	89.47	328,207	722,682	7,305,163	6,254,274	-	8,741,940	453,004	193,395	259,609	-	100%
49	HCL Technologies Sweden AB	18-Dec-2013	31-Mar-2023	SEK	7.93	10,940	6,763,503	20,925,584	14,151,141	-	45,954,418	2,160,736	469,963	1,690,773	-	100%
50	HCL Technologies Finland Oy	14-Jan-2014	31-Mar-2023	EUR	89.47	8,947	1,790,459	7,648,818	5,849,412	-	12,801,657	755,076	225,683	529,393	-	100%
51	HCL Technologies Italy S.P.A	29-Jul-2014	31-Mar-2023	EUR	89.47	254,107	1,133,772	6,091,010	4,703,131	-	7,181,185	207,345	67,689	139,656	-	100%
52	HCL Technologies Columbia S.A.S	6-Aug-2014	31-Dec-2022	COP	0.02	80,032	65,140	691,329	546,157	-	338,446	(5,029)	6,341	(11,370)	-	100%
53	HCL Technologies Middle East FZ-LLC	19-Aug-2014	31-Mar-2023	AED	22.37	81,666	235,169	1,885,990	1,569,155	-	1,854,784	125,058	-	125,058	-	100%
54	HCL Istanbul Bilisim Teknolojileri Limited Sirketi	30-Sep-2014	31-Mar-2023	TRY	4.27	2,051	65,181	487,057	419,825	-	316,290	36,674	19,891	16,783	-	100%
55	HCL Technologies Greece Single Member P.C	30-Sep-2014	31-Dec-2022	EUR	88.15	38,876	31,736	243,307	172,695	-	122,623	6,700	1,322	5,378	-	100%
56	HCL Technologies S.A.	20-Nov-2014	31-Mar-2023	VES	3.36	37	(3,664)	5,556	9,183	-	3,399	(6,446)	(1,831)	(4,615)	-	100%
57	HCL Technologies Beijing Co. Ltd	6-Feb-2015	31-Dec-2022	CNY	11.98	75,737	196,413	615,636	343,486	-	758,739	74,710	9,211	65,499	-	100%
58	HCL Technologies Luxembourg S.a r.l	12-Feb-2015	31-Dec-2022	EUR	88.15	4,408	46,940	149,649	98,301	-	152,136	6,097	1,061	5,036	-	100%
59	HCL Technologies Egypt Limited	22-Mar-2015	31-Mar-2023	EGP	2.65	12,355	14,793	346,074	318,926	-	339,122	(2,316)	4,000	(6,316)	-	100%
60	HCL Technologies Estonia OÜ	8-Jun-2015	31-Mar-2023	EUR	89.47	47,325	5,073	81,729	29,331	-	85,898	4,376	-	4,376	-	100%
61	HCL Technologies (Thailand) Ltd.	10-Jun-2015	31-Dec-2022	THB	2.39	47,002	163,236	670,563	460,325	-	727,893	67,945	21,655	46,290	-	100%
62	HCL Technologies Czech Republic s.r.o.	28-Aug-2015	31-Dec-2022	CZK	3.66	66,786	1,011,143	2,119,862	1,041,933	-	3,918,647	107,247	22,273	84,974	-	100%
63	HCL Muscat Technologies L.L.C.	17-Dec-2015	31-Dec-2022	OMR	214.90	37,328	54,592	193,572	101,652	-	66,849	5,073	1,151	3,922	-	100%
64	Statestreet HCL Holding UK Limited (Note 9)	9-Dec-2011	31-Mar-2023	GBP	101.64	650,062	(7,884)	649,201	7,023	-	-	(1,358)	62	(1,420)	-	100%
65	Statestreet HCL Services (India) Private Limited (Note 9)	6-Jan-2012	31-Mar-2023	INR	1.00	393,693	6,466,691	8,866,963	2,006,579	-	7,652,575	1,178,907	202,196	976,711	-	100%
66	Statestreet HCL Services (Philippines) Inc. (Note 9)	20-Jun-2013	31-Mar-2023	PHP	1.51	129,665	163,257	297,556	4,634	-	-	7,206	149	7,057	-	100%
67	Geometric Europe GmbH	1-Apr-2016	31-Mar-2023	EUR	89.47	1,257,113	(797,577)	552,872	93,336	-	275,548	11,530	2,637	8,893	-	100%
68	HCL Asia Pacific Pte Ltd.	1-Apr-2016	31-Mar-2023	SGD	61.81	6,181	325,540	1,210,903	879,182	-	889,493	37,300	21,868	15,432	-	100%
69	Geometric China, Inc.	1-Apr-2016	31-Dec-2022	CNY	11.98	39,314	13,136	57,444	4,994	-	-	(13,814)	-	(13,814)	-	100%
70	Geometric Americas, Inc.	1-Apr-2016	31-Mar-2023	USD	82.18	991,287	305,228	2,286,139	989,624	-	2,690,295	182,398	165,886	16,512	-	100%
71	Butler America Aerospace LLC	3-Jan-2017	31-Mar-2023	USD	82.18	-	1,428,658	1,862,775	434,117	-	4,766,314	379,819	104,294	275,525	-	100%

(Amount in ₹ Thousand)

S.No	Name of the Subsidiary Company	Date of acquisition / incorporation	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	Extent of shareholding (in percentage)
72	HCL Lending Solutions, LLC (Formerly "Urban Fulfillment Services LLC")	23-Aug-2017	31-Dec-2022	USD	82.73	-	334,491	1,457,330	1,122,839	-	2,449,494	57,545	-	57,545	-	100%
73	Datawave (An HCL Technologies Company) Limited	1-Sep-2017	31-Dec-2022	GBP	99.53	12	11,437	61,762	50,313	-	131,253	1,201	225	976	-	100%
74	HCL Technologies Corporate Services Limited (Note 8)	5-Mar-2018	31-Mar-2023	USD	82.18	-	2,054	59,582,621	59,580,567	-	12,902	657	411	246	-	100%
75	C3i Support Services Private Limited	6-Apr-2018	31-Mar-2023	INR	1.00	15,421	917,073	1,004,143	71,649	553,517	462,694	122,580	31,240	91,340	-	100%
76	Telerx Marketing, Inc.	6-Apr-2018	31-Dec-2022	USD	82.73	165	2,004,170	6,136,115	4,131,780	-	13,806,632	826,770	271,370	555,400	-	100%
77	C3i Europe Eood	6-Apr-2018	31-Dec-2022	BGN	45.20	6,824	1,136,842	1,848,125	704,459	-	3,383,093	265,793	25,309	240,484	-	100%
78	C3i Japan GK (Note 8)	6-Apr-2018	31-Dec-2022	JPY	0.63	-	36,082	88,147	52,065	-	129,534	10,132	3,098	7,034	-	100%
79	C3i Services &Technologies (Dalian) Co., Ltd	6-Apr-2018	31-Dec-2022	CNY	11.98	23,489	527,522	637,866	86,855	-	613,865	53,989	9,202	44,787	-	100%
80	Actian Corporation	17-Jul-2018	31-Dec-2022	USD	82.73	1	8,400,237	18,733,329	10,333,091	-	13,784,211	4,911,556	892,378	4,019,178	-	100%
81	Actian Australia Pty Ltd (Note 8)	17-Jul-2018	31-Dec-2022	AUD	56.17	-	528,189	1,658,164	1,129,975	-	1,618,326	43,820	(100,385)	144,205	-	100%
82	Actian Europe Limited (Note 8)	17-Jul-2018	31-Dec-2022	GBP	99.53	-	234,957	2,201,227	1,966,270	-	3,319,793	103,985	2,321	101,664	-	100%
83	Actian France SAS	17-Jul-2018	31-Dec-2022	EUR	88.15	3,262	36,123	541,115	501,730	-	293,503	36,448	3,236	33,212	-	100%
84	Actian Germany GmbH	17-Jul-2018	31-Dec-2022	EUR	88.15	2,204	231,617	602,047	368,226	-	1,089,098	47,400	14,670	32,730	-	100%
85	Actian International, Inc. (Note 8)	17-Jul-2018	31-Dec-2022	USD	82.73	-	7,982	7,982	-	-	-	-	-	-	-	100%
86	Actian Technology Private Limited	17-Jul-2018	31-Mar-2023	INR	1.00	1,000	13,492	15,404	912	-	2,581	(910)	473	(1,383)	-	100%
87	Versant GmbH	17-Jul-2018	31-Dec-2022	EUR	88.15	15,868	1,933,543	2,371,246	421,835	-	917,824	422,044	136,220	285,824	-	100%
88	Versant India Private Limited	17-Jul-2018	31-Mar-2023	INR	1.00	1,000	4,441	7,992	2,551	-	-	(591)	-	(591)	-	100%
89	HCL Technologies Vietnam Company Limited	27-Apr-2018	31-Mar-2023	VND	0.00	4,006	18,697	148,904	126,201	-	85,723	3,894	810	3,084	-	100%
90	HCL Guatemala, Sociedad Anonima	22-Feb-2019	31-Dec-2022	GTQ	10.54	222,098	822,078	2,771,445	1,727,269	-	5,007,282	325,461	5,445	320,016	-	100%
91	Sankalp Semiconductor Private Limited	10-Oct-2019	31-Mar-2023	INR	1.00	15,178	1,343,419	1,815,895	457,298	519,744	1,806,060	334,306	89,799	244,507	-	100%
92	Sankguj Semiconductor Private Limited	10-Oct-2019	31-Mar-2023	INR	1.00	4,300	(4,047)	315	62	-	-	(143)	-	(143)	-	100%
93	Sankalp Semiconductor Inc.	10-Oct-2019	31-Mar-2023	CAD	60.67	4,854	66,480	105,315	33,981	-	60,563	6,989	1,025	5,964	-	100%
94	H C L Technologies Lanka (Private) Limited	29-Nov-2019	31-Mar-2023	LKR	0.25	119,949	999,460	1,890,413	771,004	-	3,017,418	1,463,169	-	1,463,169	-	100%
95	HCL Technologies Bulgaria EOOD	18-Nov-2019	31-Dec-2022	BGN	45.20	20,925	112,130	543,971	410,916	-	1,303,071	93,283	9,355	83,928	-	100%
96	HCL Technologies Trinidad and Tobago Limited	23-May-2019	31-Dec-2022	TTD	12.21	2,815	7,337	105,959	95,807	-	72,169	6,526	1,966	4,560	-	100%
97	HCL Technologies Azerbaijan Limited Liability Company	8-Oct-2019	31-Dec-2022	AZN	48.76	3,810	(3,172)	883	245	-	102	(1,153)	-	(1,153)	-	100%
98	HCL Vietnam Company Limited (Formerly known as HCL Technologies (Vietnam) Company Limited)	16-Mar-2020	31-Mar-2023	VND	0.00	562,979	(885,305)	916,910	1,239,236	-	627,440	(546,629)	-	(546,629)	-	100%
99	HCL Technologies Angola (SU), LDA	30-Jun-2020	31-Dec-2022	AOA	0.16	3,650	20,522	357,576	333,404	-	294,870	25,468	8,114	17,354	-	100%
100	HCL Technologies S.A.C.	11-Sep-2020	31-Dec-2022	PEN	21.71	5,810	1,626	45,861	38,425	-	32,641	2,129	873	1,256	-	100%
101	HCL Technologies gbs GmbH (Formerly "gbs-Gesellschaft für Banksysteme GmbH")	5-Jan-2022	31-Dec-2022	EUR	88.15	8,815	9,876	508,158	489,467	-	558,591	(121,298)	4,667	(125,965)	-	51%
102	HCL Technologies Costa Rica Sociedad De Responsabilidad Limitada	23-Jul-2021	31-Dec-2022	CRC	0.14	91,207	29,648	311,672	190,817	-	257,995	28,444	-	28,444	-	100%
103	HCL Technologies Bahrain W.L.L	18-Jan-2022	31-Dec-2022	BHD	219.43	17,642	(212)	17,476	46	-	-	(212)	-	(212)	-	100%
104	HCL Technologies Morocco Limited	30-Mar-2022	31-Dec-2022	MAD	7.92	-	43,517	190,125	146,608	-	71,304	3,050	610	2,440	-	100%
105	HCL Technologies Slovakia s. r. o.	22-Mar-2022	31-Mar-2023	EUR	89.47	16,105	1,021	34,692	17,566	-	16,446	1,294	273	1,021	-	100%
106	Starschema Inc	2-Apr-2022	31-Dec-2022	USD	82.73	124,102	146,269	380,407	110,036	-	609,915	164,899	5,543	159,356	-	100%

(Amount in ₹ Thousand)

S.No	Name of the Subsidiary Company	Date of acquisition / incorporation	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	Extent of shareholding (in percentage)
107	Brilliant Data LLC	2-Apr-2022	31-Dec-2022	USD	82.73	33	12,295	15,066	2,738	-	17,556	5,244	-	5,244	-	100%
108	Starschema kft. (Formerly “Starschema Kereskedelmi és Szolgáltató kft.”)	2-Apr-2022	31-Dec-2022	HUF	0.22	820	662,297	876,429	213,312	-	1,398,017	279,603	21,752	257,851	-	100%
109	Manzina Tech GmbH	31-May-2022	31-Dec-2022	CHF	89.62	1,792	9,936	11,728	-	-	-	(12)	-	(12)	-	100%
110	Confinale AG	31-May-2022	31-Dec-2022	CHF	89.62	8,962	370,126	937,224	558,136	-	1,793,625	270,379	38,568	231,811	-	100%
111	Confinale (Deutschland) GmbH	31-May-2022	31-Dec-2022	EUR	88.15	2,204	146,810	230,337	81,323	-	416,491	104,710	32,692	72,018	-	100%
112	Confinale (UK) Limited	31-May-2022	31-Dec-2022	GBP	99.53	1,991	27,295	40,853	11,567	-	103,848	28,900	5,530	23,370	-	100%
113	Quest Informatics Private Limited	12-Jul-2022	31-Mar-2023	INR	1.00	1,764	314,612	355,453	39,077	188,759	203,452	83,021	25,705	57,316	-	100%
114	HCL Technologies Jigani Limited	25-Aug-2022	31-Mar-2023	INR	1.00	500	(144)	500	144	-	-	(144)	-	(144)	-	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 HCL Technologies Jigani Limited is incorporated on 25-Aug-2022.

3 Following are the entities acquired during the year:

S.No.	Name of the subsidiary company	Date of acquisition
1	Starschema Inc	2-Apr-2022
2	Brilliant Data LLC	2-Apr-2022
3	Starschema kft. (Formerly “Starschema Kereskedelmi és Szolgáltató kft.”)	2-Apr-2022
4	Manzina Tech GmbH	31-May-2022
5	Confinale AG	31-May-2022
6	Confinale (Deutschland) GmbH	31-May-2022
7	Confinale (UK) Limited	31-May-2022
8	Quest Informatics Private Limited	12-Jul-2022

4 Following are the entities which have been dissolved during the year :

S.No.	Name of the subsidiary company	Date of dissolution
1	Axon Solutions Pty. Limited	11-Jun-2022
2	Point to Point Limited	5-Apr-2022
3	Point to Point Products Limited	21-Jun-2022
4	Actian Netherlands B.V.	28-Dec-2022
5	Sankalp USA Inc.	12-Dec-2022

5 Following are the entities which have been merged during the year

S.No.	Transferor company	Transferee company	Effective date of merger
1	HCL Technologies SEP Holdings Inc	HCL America Inc.	1-Sep-2022
2	Starschema kft. (Formerly “Starschema Kereskedelmi és Szolgáltató kft.”)	HCL Technologies Starschema Kft. (Formerly “HCL Hungary Kft”)	1-Jan-2023

6 Following entities are under liquidation hence, no financial statement has been prepared as per their local laws:

S.No.	Name of the subsidiary company
1	Sankalp Semiconductor GmbH
2	Sankalp Semiconductor SDN.BHD.

7 Following entities are consolidated with HCL Australia Services Pty :

S.No.	Name of the subsidiary company
1	DWS (New Zealand) Ltd.
2	DWS (NSW) Pty Ltd.
3	DWS Product Solutions Pty Ltd.
4	DWS Pty Limited (Formely “DWS Limited”).
5	Graeme V Jones & Associates Pty Ltd.
6	Phoenix IT & T Consulting Pty Ltd.
7	Projects Assured Pty Ltd.
8	SDM Sales Pty Ltd.
9	Strategic Data Management Pty Ltd.
10	Symplicit Pty Ltd.
11	Wallis Nominees (Computing) Pty Ltd.

8 Refer table given below for absolute amount of share capital in the following company :

S.No.	Name of the subsidiary company	Share Capital (₹)
1	HCL Great Britain Limited	102
2	HCL Technologies Corporate Services Limited	104
3	Axon Solutions Limited	102
4	C3i Japan GK	1
5	Actian Australia Pty Ltd	56
6	Actian Europe Limited	100
7	Actian International, Inc.	83

9 With respect to entities on serial number 64, 65 and 66, the Group has equity interest of 49% and 100% dividend rights and control as per Ind AS 110 “Consolidated Financial Statements”.

10 With respect to entities on serial number 25, 36 and 40, the Group has majority composition of board of directors and management control.

11 On 30 September 2017, the Group has terminated its existing arrangements with DXC. Accordingly, CelerItiFinTech Limited (and its step down subsidiaries) and Celeritifintech Services Limited (and its step down subsidiaries) has not been consolidated with the Group from that date. Accordingly, their standalone financial statements are not considered for the purpose of this statement.

12 Investment in Austin GIS, Inc. "Associate company " of HCL Bermuda Limited has been sold on 18 November 2022.

For HCL Technologies Limited

Roshni Nadar Malhotra Chairperson DIN - 02346621	**C. Vijayakumar** Chief Executive Officer and Managing Director DIN - 09244485	**S. Madhavan** Director DIN - 06451889
Prateek Aggarwal Chief Financial Officer	**Goutam Rungta** Corporate Vice President - Finance	**Manish Anand** Company Secretary

Place: Noida, UP (India)
Date: July 12, 2023

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