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

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Corporate Vice President - Finance

Manish Anand
Company Secretary

Gurugram, India
20 April 2023

Noida (UP), India
20 April 2023

Notes to standalone 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”) 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.

(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).

Notes to standalone financial statements for the year ended 31 March 2023
(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%

Notes to standalone 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 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%

Notes to standalone 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 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

Notes to standalone financial statements for the year ended 31 March 2023
(All amounts in crores of ₹, except share data and as stated otherwise)

2.37 Ratio

Ratio	Numerator	Denominator	Units	Year ended		% Variance
				31 March 2023	31 March 2022	
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.

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

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	**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 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

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 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

Manish Anand
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

Notes to consolidated financial statements for the year ended 31 March 2023
(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.

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**

Notes to consolidated financial statements for the year ended 31 March 2023
(All amounts in crores of ₹, except share data and as stated otherwise)

3.14 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).

Notes to consolidated financial statements for the year ended 31 March 2023
(All amounts in crores of ₹, except share data and as stated otherwise)

3.21 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.

(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%

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 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)

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
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

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
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.

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