Finance Act, 2020

The Ministry of Finance notified the Finance Act, 2020 ("**Finance Act**") on March 27, 2020 and it came into effect from April 1, 2020. The Finance Act amends various provisions of the IT Act including provisions relating to the taxation of dividends by shareholders, taxation on fee for professional or technical services, criteria for considering an individual as a resident of India and reduced tax rate on income of certain domestic companies and manufacturing companies.

The Code on Social Security, 2020

The Code on Social Security, 2020 (the "**Social Security Code**") amends and consolidates nine existing labor laws, namely the Employees' Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Cine Workers Welfare Fund Act, 1981, the Building and Other Construction Workers' Welfare Cess Act, 1996, the Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959, and the Unorganised Workers' Social Security Act, 2008. It proposes to universalize social security and extend it to all workers, including gig workers. The Social Security Code proposes the creation of the following social security organizations namely, the Central Board of Trustees for the Employees Provident Fund, the Employees State Insurance Corporation, the National Social Security Board for unorganized workers, the State Unorganised Workers' Social Security Board, and the State Building Workers' Welfare Boards to administer the various social security schemes included in the Social Security Code. The benefits of the schemes are proposed to be paid out of funds comprising employer and employee contribution and may also include funds from the central or state government or from the corporate social responsibility fund. The Social Security Code empowers the Government of India to exempt an establishment or class of establishment, from any or all provisions of the Social Security Code. The Social Security Code has not yet been implemented and the provisions of this code will be brought into force on a date to be notified by the Central Government.

Our Group will carry out an evaluation of the impact and record the same in the financial statements in the period in which the Social Security Code becomes effective and the related rules are published.

The Occupational Safety, Health and Working Conditions Code, 2020

The Occupational Safety, Health and Working Conditions Code, 2020 (the "**Safety, Health and Working Conditions Code**") was passed by the Lok Sabha and Rajya Sabha and received the assent of the President on September 28, 2020; however, it is yet to be notified for implementation by the Government of India. The Safety, Health and Working Conditions Code aims to regulate the occupational safety, health and working conditions of workers employed in establishments and subsumes 13 labor laws relating to safety, health and working conditions, namely, the Factories Act, 1948, the Contract Labor (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979, the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996, the Mines Act, 1952, the Dock Workers (Safety, Health and Welfare) Act, 1986, the Plantations Labor Act, 1951, the Working Journalists and Other Newspaper Employees (Conditions of Service) and Miscellaneous Provisions Act, 1955, the Working Journalists (Fixation of Rates of Wages) Act, 1958, the Motor Transport Workers Act, 1961, the Sales Promotion Employees (Conditions of Service) Act, 1976, the Beedi and Cigar Workers (Conditions of Employment) Act, 1966 and the Cine-Workers and Cinema Theatre Workers (Regulation of Employment) Act, 1981. The Safety, Health and Working Conditions Code seeks to widen its applicability to different types of workers such as audio-visual workers, inter-state migrants or sales promotion employees. It also attempts to promote gender equality by allowing women workers to work at night subject to obtaining their consent. The Safety, Health and Working Conditions Code further introduces the concept of deemed registration of establishments to circumvent the prolonged delays in administrative processes.

Our Group will carry out an evaluation of the impact and record the same in the financial statements in the period in which the Safety, Health and Working Conditions Code becomes effective and the related rules are published.

The Industrial Relations Code, 2020

The Industrial Relations Code, 2020 (the "**Industrial Relations Code**") was passed by Lok Sabha and Rajya Sabha and received the assent of the President on September 28, 2020; however, it is yet to be notified for implementation by the Government of India. It seeks to replace three existing labor laws, namely the Industrial Disputes Act, 1947, the Trade Unions Act, 1926, and the Industrial Employment (Standing Orders) Act, 1946. The Industrial Relations Code aims to streamline industrial relations and help India improve on the ease of doing business index. It also protects the workers by proposing to create a worker re-skilling fund, which is to be utilized for crediting to workers in the prescribed manner. In addition, the Industrial Relations Code provides a definition for fixed term employment of any duration across sectors which does not entail requirement of notice or retrenchment compensation. However, it makes provision for accrual of all statutory benefits such as social security and wages to such employees at par with regular employees.

Our Group will carry out an evaluation of the impact and record the same in the financial statements in the period in which the Industrial Relations Code becomes effective and the related rules are published.

The Code on Wages, 2019

The Code on Wages, 2019 (the "**Code on Wages**") (enacted by the parliament of India and assented to by the President of India on August 8, 2019) will come into force on such date as may be notified in the official gazette by the Central Government and different date may be appointed for different provisions of the Code on Wages, 2019. Once effective, it will subsume the Equal Remuneration Act, 1976, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Payment of Wages Act, 1936. The Code on Wages envisages uniform applicability of the provisions of timely payment of wages and minimum wages to all employees irrespective of the wage ceiling and sector. As on December 18, 2020, the Central Government has notified a few clauses under Section 42 and Section 67(2) of the Code on Wages. Further, it has also notified, Section 69 (to the extent it relates to Sections 7 and 9 (to the extent they relate to the Central Government) and Section 8 of the Minimum Wages Act, 1948).

Our Group will carry out an evaluation of the impact and record the same in the financial statements in the period in which the Code on Wages becomes effective and the related rules are published.

Other Laws

Additionally, the Guarantor is also required to comply with, *inter alia*, the following laws:

(i) Apprentices Act, 1961, as amended;

(ii) Central Sales Tax Act, 1956, as amended;

(iii) Central Goods and Service Tax Act, 2017, as amended;

(iv) Child and Adolescent Labour (Prohibition and Regulation) Act, 1986, as amended;

(v) Payment of Wages Act, 1936, as amended;

(vi) Minimum Wages Act, 1948, as amended;

(vii) Payment of Bonus Act, 1965, as amended;

(viii) Equal Remuneration Act, 1976, as amended;

(ix) Code on Wages, 2019, to the extent notified;

(x) Contract Labour (Regulation and Abolition) Act, 1970, as amended;

(xi) Employee Compensation Act, 1932, as amended;

(xii) Employees Provident Fund and Miscellaneous Provisions Act, 1952, as amended;

(xiii) Employees State Insurance Act, 1948, as amended;

(xiv) Factories Act, 1948, as amended;

(xv) Customs Act, 1962, as amended;

(xvi) Foreign Exchange Management Act, 1999, as amended;

(xvii) Income Tax Act, 1961 as amended;

(xviii) Foreign Trade (Development and Regulation) Act, 1992 as amended;

(xix) Industrial Disputes Act, 1947 and Industrial Disputes (Central) Rules, 1957, as amended;

(xx) Industries (Development and Regulation) Act, 1951, as amended;

(xxi) Industrial Employment (Standing Orders) Act, 1946, as amended;

(xxii) Inter State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979, as amended;

(xxiii) The Environment (Protection) Act, 1986, as amended;

(xxiv) Water Prevention and Control of Pollution Act, 1974, as amended;

(xxv) Air Prevention and Control of Pollution Act, 1981, as amended;

(xxvi) The Integrated Goods and Service Tax Act, 2017, as amended;

(xxvii) Maternity Benefit Act, 1961, as amended;

(xxviii) Payment of Gratuity Act, 1972, as amended;

(xxix) Shops and Commercial Establishments Act applicable to relevant states, as amended;

(xxx) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal Act), 2013, as amended; and

(xxxi) Trade Unions Act, 1926, as amended.

INDIAN GOVERNMENT FILINGS AND APPROVALS

The primary foreign exchange control legislation in India is the FEMA and the rules and regulations made thereunder. Pursuant to the FEMA, the Government of India and the RBI have promulgated various regulations, rules, circulars and press notes in connection with various aspects of foreign exchange control. The FEMA Guarantee Regulations and the FEMA ODI Regulations including the provisions of the RBI's ODI Master Directions are the primary regulations governing overseas direct investments outside India by an Indian party as well as providing guarantees by an Indian party to or on behalf of its non-Indian wholly owned subsidiaries or joint ventures.

Under Regulation 5(b) of the FEMA Guarantee Regulations, an Indian party can provide guarantees on behalf of its non-Indian WOS and/or JV in connection with their respective business and subject to compliance with the FEMA ODI Regulations. Pursuant to the FEMA ODI Regulations, an Indian party is permitted to provide a guarantee on behalf of its non-Indian WOS and/or JV in which it has equity participation, or which is a first generation step down operating company, without prior approval of the RBI (i.e. under the "**Automatic Route**") subject to:

(i) such Indian party's total financial commitment not exceeding 400 per cent. of its net worth as per its last audited balance sheet at the time of providing such guarantee;

(ii) such Indian party's financial commitment not exceeding U.S.$1 billion (or its equivalent) in a fiscal year even when the total financial commitment of the Indian party is within the eligible limit under the Automatic Route (i.e., within 400 per cent. of its net worth as per the last audited balance sheet). As per the FEMA ODI Regulations, "net worth" means paid capital and free reserves. For the purpose of determining the "net worth" of an Indian party, the net worth of the holding company (which holds a minimum 51 per cent. stake in such Indian party) or its subsidiary (in which such Indian party holds a minimum 51 per cent. stake) may be taken into account to the extent not availed by the holding company or the subsidiary independently and has furnished a letter of disclaimer in favor of the Indian party;

(iii) the guarantee not being open-ended, with the maximum amount and duration of the guarantee being specified upfront;

(iv) such Indian party not being (a) on the RBI's Exporters' caution list or the list of defaulters to the banking system circulated by the RBI, TransUnion CIBIL Limited (formerly Credit Information Bureau (India) Limited) or any other credit information company as approved by the RBI; or (b) under investigation by an investigation or enforcement agency or regulatory body;

(v) such non-Indian WOS and/or JV is not engaged in real estate business (meaning buying and selling of real estate or trading transferable development rights, but does not include development of townships, construction of residential/commercial premises, road or bridges) or banking business. Additionally, the non-Indian WOS and/or JV in which the investment is being made by the Indian party must be engaged in bona fide business activities;

(vi) the investments or financial commitments not being in an overseas entity located in the countries identified by the Financial Action Task Force as "non co-operative countries and territories" or as notified by the RBI from time to time; and

(vii) the loan/facility availed by the JV/WOS/SDS from the domestic/overseas lender shall be utilized only for its core business activities overseas and not for investing back in India in any manner whatsoever.

The FEMA ODI Regulations do not clearly specify the point of time at which the net worth of the Indian company must be taken into account in the event of invocation of the guarantee but the market practice is to take into account the net worth as set out in the last audited balance sheet of the Indian company at the time of issuance of the guarantee, rather than at the time of invocation. This is consistent with the requirement that the Form ODI to be filed within 30 days of issuing the guarantee must include a certificate from the statutory auditors of the Indian company certifying that the guarantee is within 400.0 per cent. of the net worth of the Indian company. It is worth noting, however, that in the case of performance guarantees, the RBI has specified that where invocation of the performance guarantee breaches the ceiling of 400.0 per cent. of the net worth of the Indian company, the Indian company must seek the prior approval of the RBI before remitting funds on account of such invocation.

Under the ODI Master Directions, the "total financial commitment" of an Indian party in all non-Indian JVs and WOSs comprises of: (a) 100 per cent. of the amount of equity shares and/or compulsorily convertible preference shares; (b) 100 per cent. of the amount of other preference shares; (c) 100 per cent. of the amount of loan; (d) 100 per cent. of the amount of guarantee (other than performance guarantee) issued by the Indian party; (e) 100 per cent. of the amount of bank guarantees issued by a resident bank on behalf of JV or WOS of the Indian party provided the bank guarantee is backed by a counter guarantee/collateral by the Indian party; and (f) 50 per cent. of the amount of performance guarantee issued by the Indian party, provided that if the outflow on account of invocation of performance guarantee results in the breach of the limit of the financial commitment in force, prior permission of the RBI is to be obtained before executing remittance beyond the limit prescribed for the financial commitment.

The ODI Master Directions permit Indian parties to issue corporate guarantees on behalf of their first level step down operating JV/WOS set up by their JV/WOS operating as either an operating unit or as a special purpose vehicle under the Automatic Route, subject to the financial commitment of the Indian party being within the extant limit. Further, providing corporate guarantees on behalf of second generation or subsequent level step down operating subsidiaries shall be considered under the approval route, provided the Indian party indirectly holds 51 per cent. or more stake in the overseas subsidiary for which such guarantee is intended to be issued.

For making any investment or undertaking any financial commitment in an overseas JV or a WOS, the Indian party should make an application in Form ODI with the prescribed enclosures and documents with an AD Bank. All guarantees (including performance and bank guarantees) are required to be reported to the RBI, in Form ODI-Part I, by the Indian party. The Indian party shall on or before December 31 of each year, submit to the RBI, through an AD Bank an annual performance report in Part II of Form ODI in respect of each JV or WOS outside India, and other reports or documents as may be prescribed by the RBI from time to time. Further, companies which have received FDI and/or made FDI abroad (i.e. overseas investment) in the previous year(s) including the current year are required to file a return of foreign liabilities and assets based on audited/unaudited accounts by July 15 of each year.

On November 25, 2014, the RBI issued the RBI Circular pertaining to "Routing of funds raised abroad to India" stating that Indian companies or their AD Banks are not allowed to issue guarantees or create any contingent liability or offer any security in any form for such borrowings by their overseas holding companies, associate company, subsidiary company or group companies and such funds raised abroad by the overseas group companies with support of the Indian companies cannot be used in India unless it conforms to the general or specific permission granted under the FEMA ODI Regulations as described above. The proposed use of proceeds of this Offering as described under the section "*Use of Proceeds*" conforms to and is permissible under the FEMA ODI Regulations and the RBI Circular.

Generally, under section 186 of the Companies Act, 2013, an Indian company is required to obtain by special resolution the approval of 75 per cent. of its shareholders entitled and voting on the matter prior to issuing a guarantee which, together with existing loans, investments and guarantees, exceeds the greater of (i) 60.0 per cent. of the aggregate paid up share capital, and securities premium account and free reserves or (ii) all of its free reserves and securities premium account. This requirement of a special resolution under Section 186 of the Companies Act, 2013 does not apply to any guarantee given by a company in respect of a loan made to its joint venture company or wholly owned subsidiary. An Indian company is required to maintain a register in the prescribed Form MBP-2 and enter therein the particulars of guarantees given within seven days of giving such guarantee.

All transactions relating to a JV/WOS should be routed through one branch of an AD Bank to be designated by the Indian party. Additionally, the approval of the RBI is not required for the renewal, rollover of an existing original guarantee which is part of the total commitment of the Indian party and such renewed or rolled over guarantee will not be reckoned as a fresh "financial commitment" if:

(i) the existing or original guarantee was issued in terms of the then prevailing FEMA guidelines;

(ii) there is no change in the end use of the guarantee, that is, the facilities availed by the JV, WOS or SDS;

(iii) there is no change in any of the terms and conditions, including the amount of the guarantee except the validity period;

(iv) the reporting of the rolled over guarantee would be done in Part I of Form ODI; and

(v) the concerned agency/body being kept informed about the same if the Indian party is under investigation by any investigation and enforcement agency or regulatory body.

If these conditions are not met, the prior approval of the RBI is required for the rollover or renewal of the existing guarantee through the designated AD Bank.

The RBI had by way of email to the AD Bank dated December 16, 2020 granted its approval to the Guarantor to provide a guarantee of U.S.$550 million in favor of the Issuer, which will enable the Issuer to raise funds for the purpose of refinancing its existing debt and/or for meeting its working capital requirements subject to the following conditions:

(i) AD Bank has to ensure that the Guarantor complies with all the provisions of the FEMA ODI Regulations (investment, reporting etc.), as applicable to an Indian party;

(ii) the proposed issuance of the Guarantee of U.S.$550 million by the Guarantor to the Issuer should be approved by the board of directors of the Guarantor;

(iii) the funds raised overseas by the Issuer on the basis of the Guarantee, should not be invested back in India in any manner; and

(iv) the Guarantee issued under this approval may be reported in the Overseas Investment Division application within 15 days from date of the issue of the Guarantee.

In addition, any payments in respect of indemnity claims will require RBI approval.

DESCRIPTION OF MATERIAL INDEBTEDNESS

Indian Rupees Loans

Term Loan

The Guarantor has entered into a term loan facility agreement dated April 17, 2019 ("**Term Loan**") with HDFC Bank Limited ("**HDFC Bank**") as the lender. Through the Term Loan and the sanction letter dated February 6, 2019, HDFC Bank has made available credit facilities of ₹ 4,000 million for the purpose of capital expenditure incurred by the Guarantor towards the development of an IT park in Vijaywada, India. The credit facility is unsecured. The Term Loan has a door to door tenor of 6.5 years from the date of the first disbursement, including 3 years of an availability period and a loan tenor of 3.5 years from the date of disbursement of each tranche. In the event of a default by the Guarantor on payment of dues or of any of the terms and conditions of the Term Loan, an additional interest charge of 1 per cent. on the defaulted amount will be levied from the date of default. Prepayment will be charged at a penalty rate of 1 per cent. of the loan amount prepaid. Interest on the Term Loan is payable at the end of every month and a penal interest of 1 per cent. per annum is chargeable on the outstanding amount for the number of days for which the interest payment is delayed. Each tranche of the Term Loan is to be repaid as bullet payment after 3.5 years from the date of drawdown. As at December 31, 2020, ₹ 1,761.85 million (Indian Rupees One Billion Seven Hundred Sixty One Million Eight Hundred Fifty Two Thousand) of the Term Loan was outstanding.

The Term Loan contains certain covenants which impose restrictions on the Guarantor which are generally customary for agreements governing such indebtedness. They include, among others, restrictions on creating a charge on the asset financed by HDFC Bank, in favor of any other lender or creditor, restrictions on alteration to the main objects clause of the constitutional documents without notice to HDFC Bank, restrictions on declaration of dividend if any instalment towards principal or interest remains unpaid on its due date and restrictions on any change in ownership or control of the Guarantor whereby the effective beneficial ownership or control of the Guarantor decreases to below 51 per cent. without the prior written consent of HDFC Bank.

In addition, the Term Loan contains financial covenants which requires the Guarantor to maintain a minimum debt service coverage ratio (which shall not fall below 1.5x) and a maximum total liability to tangible net worth ratio (which shall not exceed 1.5x).

The Term Loan contains certain customary events of default which include, among others, failure to pay the amount payable on the due date, cessation of business, circumstances which would adversely affect the capacity to repay any amount payable, the Guarantor admitting in writing its inability to pay the principal or interest due to any financial institution or bank or occurrence of any other default in relation to the Guarantor's indebtedness (i.e., cross-default), and initiation of insolvency and bankruptcy proceedings against the Guarantor. Upon the occurrence of an event of default, HDFC Bank is entitled to demand immediate repayment of all the amount due under the Term Loan. Further, in case of a payment default, HDFC Bank is entitled to terminate the right of the Guarantor to draw any unavailed portion of the Term Loan.

Working Capital Facility Loans

The Guarantor has availed certain working capital facilities through facility agreements and sanction letters ("**Working Capital Facilities**") in its regular course of business from various banks. Such Working Capital Facilities are denominated in Indian Rupees and U.S. Dollars. As at December 31, 2020, the amount outstanding under the Working Capital Facilities was ₹ 31,118.60 million (Indian Rupees Thirty One Billion One Hundred Eighteen Million Six Hundred Thousand).

In 2020, the Guarantor availed a renewal of an existing facility of ₹ 3,500 million from State Bank of India for, among others, meeting the temporary mismatch of cash flow and for booking of forward contracts and derivatives.

In 2020, the Guarantor availed a facility of ₹ 14.10 million from Canara Bank to meet its working capital requirements.

In 2019, the Guarantor availed a renewal of an existing facility of ₹ 7,250 million from Bank of America N.A. to meet its working capital requirements.

In 2019, the Guarantor availed a facility of ₹ 1,410 million for general corporate purposes, working capital requirements and for the issuance of guarantee, and a facility of USD90 million for the purpose of pre-shipment finance in foreign currency, from Standard Chartered Bank.

In 2019, the Guarantor availed a facility of ₹ 100 million from Deutsche Bank AG to meet its working capital requirements.

In 2019, the Guarantor availed a facility of ₹ 4,000 million from BNP Paribas to meet its working capital requirements.

In 2019, HCL Comnet Limited (merged with the Guarantor) availed a facility of ₹ 200 million from Axis Bank for its working capital requirements which include, among others, purchase of raw material and packing material.

In 2019, HCL Comnet Limited (merged with the Guarantor) availed a facility of ₹ 90.90 million from Canara Bank for the purpose of issuing bank guarantees.

In 2018, the Guarantor availed a facility of ₹ 750 million from Hong Kong and Shanghai Banking Corporation Limited for certain working capital requirements, which include, among others, financing for export production and to facilitate imports.

In 2018, HCL Comnet Limited (merged with the Guarantor) availed a facility of ₹ 140 million from Hong Kong and Shanghai Banking Corporation Limited for its working capital requirements which include, among others, facilitating imports and for issuance of performance guarantee. This facility, however, has been cancelled.

In 2017, HCL Comnet Limited (merged with the Guarantor) availed a facility of ₹ 1,500 million from Standard Chartered Bank for its working capital requirements which include, among others, financing asset conversion cycle and import financing.

In 2015, HCL Comnet Limited (merged with the Guarantor) availed a facility of ₹ 755 million from Société Générale for its working capital requirements which includes, among others, purchase of raw materials through imports.

In 2012 and 2014, the Guarantor availed a facility of ₹ 3,600 million and ₹ 2,500 million, respectively, from Citibank N.A. to meet its working capital requirements, and letters of credit and bank guarantees.

In 2013 and 2014, HCL Comnet Limited (merged with the Guarantor) availed a facility of USD10 million and ₹ 300 million, respectively, from Citibank N.A. to meet its working capital requirements and letters of credit and bank guarantees.

While some of the Working Capital Facilities are unsecured, the other Working Capital Facilities are secured by the assets of the Guarantor which include, among others, moveable assets, stock and book debts. The interest payments under the Working Capital Facilities are generally on a monthly basis and a penal interest is chargeable on the outstanding amount in case of default in repayment of the amount due. While interest under some of the Working Capital Facilities accrues at a fixed rate of interest, most of the Working Capital Facilities bear interest at floating rates which are calculated with reference to the base rate/MCLR of the relevant lenders.

The Working Capital Facilities contain certain covenants which impose restrictions on the Guarantor that are generally customary for agreements governing such indebtedness. They include, among others, restrictions on change in ownership, restrictions on declaration of dividend if any instalment towards principal or interest remains unpaid on its due date, restrictions on prepayment of the facilities and restriction on utilization of the facilities for certain purposes.

Non-Indian Rupees Loans

Credit agreement between the Issuer, Bank of America and Citibank

The Issuer as a borrower entered into a credit agreement dated July 6, 2018 with Bank of America, N.A. ("**Bank of America**") in its capacity as administrative agent and the lenders named thereunder from time to time including Bank of America and Citibank, N.A. ("**Citibank**"). Under the agreement, the lenders have made available credit facilities in the aggregate amount of USD300,000,000 for general corporate purposes. The credit facility is unsecured. The loans must be repaid on the fourth anniversary of the date upon which the first committed loan is made pursuant to the agreement. As at December 31, 2020, USD297,000,000 of the loan is outstanding.

The credit agreement contains customary negative covenants, including restrictions, subject to certain exceptions, on the Issuer's ability to create liens upon any property, assets and revenue (including those of its material subsidiaries), incur or assume certain indebtedness and dispose of all or substantially all of its or its subsidiaries' assets. In addition, the agreement also contains financial covenants which requires the Issuer to, among others, maintain a consolidated interest coverage ratio and a consolidated net debt to EBITDA ratio.

The agreement contains certain customary events of default which, include, among others, failure to pay the amount payable on the due date, failure by the Issuer to perform certain covenants, incorrect or misleading representations and warranties, occurrence of any event which is considered a change of control, failure by the Issuer or any subsidiary to pay any of its creditors in relation to any indebtedness (i.e., cross-default) and initiation of insolvency proceedings against the Issuer.

Upon the occurrence of an event of default, the administrative agent may, with the consent of the lenders having total credit exposures representing 50 per cent. or more of the total credit exposures of all lenders, among others, declare the unpaid principal amounts of all outstanding loans (including all interest accrued and unpaid thereon, and all other amounts owing or payable) to be immediately due and payable, and exercise on behalf of itself and the lenders all rights and remedies available to it and the lenders under the relevant loan documents.

Facility agreement between HCL UK and MUFG

HCL Technologies UK Limited ("**HCL UK**") as a borrower entered into a facility agreement dated July 27, 2018 with MUFG Bank, Ltd. ("**Original Lender**"). Under the agreement, the Original Lender has made available a term loan facility in the amount of GBP 60,000,000 for general corporate purposes (including for any internal acquisitions by HCL UK). The facility is unsecured and the loans thereunder must be repaid in ten equal instalments semi-annually with the final repayment to be paid on the date falling five years after the loan is utilized. As at December 31, 2020, GBP 36,000,000 of the loan is outstanding.

The agreement contains customary negative covenants, including restrictions, subject to certain exceptions, on HCL UK's ability to create any security over its assets (or the assets of its subsidiaries), incur certain financial indebtedness, enter into certain corporate transactions (including amalgamation, merger, demerger or corporate reconstruction) and dispose of all or substantially all of its or its subsidiaries' assets. In addition, the agreement also contains financial covenants which requires HCL UK to, among others, maintain a debt ratio and interest cover consolidated on a Group basis and maintain a positive tangible net worth on a standalone basis.

The agreement contains certain customary events of default which include, among others, failure by HCL UK to pay the amount payable on the due date, failure by HCL UK to comply with the requirements of the financial covenants, failure by HCK UK to perform certain obligations, incorrect or misleading representations and warranties, failure by HCL UK or any of its subsidiaries to pay any of its creditors in relation to any financial indebtedness (i.e., cross-default) and initiation of insolvency proceedings in respect of HCL UK or the Guarantor.

Upon the occurrence of an event of default, the Original Lender (or any new lender which has become a party to the agreement) may, among others, declare that all or part of the loan (including all interest accrued and unpaid thereon, and all other amounts owing or payable) be immediately due and payable, and cancel the commitment under the agreement.

Facility agreement between HCL Technologies Sweden AB, the Issuer and Bank of America Merrill Lynch International Limited

HCL Technologies Sweden AB ("**HCL Sweden**") as a borrower and the Issuer as a guarantor entered into a facility agreement dated March 24, 2016 with Bank of America Merrill Lynch International Limited ("**BAML**"). Under the agreement, BAML has made available a term loan facility (the "**Facility**") in the amount of kr 825,910,000 for the purpose of acquiring certain assets listed in clause 2 of the master framework and transfer agreement dated February 15, 2016 between HCL Sweden and VOLVO IT AB. The Issuer guarantees the performance of HCL Sweden's obligations under the agreement. Under the agreement, the loans must be repaid, starting on or from the date falling 15 months after the date the facility was first utilized, in equal quarterly instalments on March 31, June 30, September 30 and December 31 of each calendar year provided that if on April 30, 2021 any loan remains outstanding under the Facility, HCL Sweden shall repay it on that date. As at December 31, 2020, kr 35,369,375 of the loans made under the Facility is outstanding.

The agreement contains customary negative covenants, including restrictions, subject to certain exceptions, on HCL Sweden's ability to create any security over its assets (or the assets of its subsidiaries), incur certain financial indebtedness, issue or allow to remain outstanding any guarantee in respect of any liability or obligation of any person other than any guarantee issued in relation to the agreement, invest in or acquire any share in, or any security issued by, any third party, enter into certain corporate transactions (including any amalgamation, demerger, merger or corporate reconstruction) and dispose of any of its or its subsidiaries' assets. In addition, the agreement also contains financial covenants which requires HCL Sweden to, among others, maintain a debt ratio and interest cover (consolidated on a Group basis).

The agreement contains certain customary events of default which includes, among others, failure by HCL Sweden or the Issuer to pay the amount payable on the due date, failure to satisfy any of the requirements of the financial covenants, HCL Sweden or the Issuer giving incorrect or misleading representations and warranties, HCL Sweden or the Issuer is not or ceases to be a subsidiary of the Guarantor, failure by any member of the Group to pay its financial indebtedness (i.e., cross-default) and initiation of insolvency proceedings in respect of the Borrower, the Guarantor and the Issuer.

Upon the occurrence of an event of default, BAML may, among others, declare that all or part of the loans (including all interest accrued and unpaid thereon, and all other amounts owing or payable) be immediately due and payable, declare that all or part of the loans be payable on demand and/or cancel the commitment under the agreement.

DESCRIPTION OF THE NOTES AND THE GUARANTEE

For purposes of this "Description of the Notes and the Guarantee," the term "Issuer" refers only to HCL America Inc., a corporation formed on November 7, 1988 under the laws of California, United States of America and a wholly-owned subsidiary of the Guarantor, and any successor obligor on the Notes, and the term "Guarantor" refers only to HCL Technologies Limited, a company incorporated with limited liability under the laws of India, and not to any of its subsidiaries. The Guarantor's guarantee of the Notes is referred to as the "Guarantee."

The Notes are to be issued under an indenture (the "Indenture"), to be dated as of the Original Issue Date, among the Issuer, the Guarantor and Citicorp International Limited, as trustee (the "Trustee").

The following is a summary of certain provisions of the Indenture, the Notes and the Guarantee. This summary does not purport to be complete and is qualified in its entirety by reference to all of the provisions of the Indenture, the Notes and the Guarantee. It does not restate the provisions of the Indenture, the Notes or the Guarantee in their entirety. Whenever particular sections or defined terms of the Indenture not otherwise defined herein are referred to, such sections or defined terms are incorporated herein by reference. We urge you to read the Indenture because it, and not this description, defines your rights as a Holder. Upon request, copies of the Indenture will be available (upon reasonable advance notice being given to the Trustee) for inspection on or after the Original Issue Date during normal office hours at the corporate trust office of the Trustee at 20/F, Citi Tower, One Bay East, 83 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong.

Brief Description of the Notes

The Notes will constitute direct, unconditional, unsecured (subject to the negative pledge covenant) and unsubordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes shall, save for such exceptions as may be provided by applicable legislation, at all times rank *pari passu* with all of its other existing and future unsecured and unsubordinated obligations and will be effectively subordinated to its secured obligations and the obligations of its subsidiaries.

The Issuer will initially issue US$500,000,000 in aggregate principal amount of the Notes which will mature on March 10, 2026, unless earlier redeemed pursuant to the terms thereof and the Indenture. The Indenture allows the Issuer to issue additional Notes from time to time (the "Additional Notes"), subject to certain limitations described under "– Further Issues." Unless the context requires otherwise, references to the "Notes" for all purposes of the Indenture and this "Description of the Notes and the Guarantee" include any Additional Notes that are actually issued. The Notes will bear interest at 1.375% per annum from and including the Original Issue Date or from the most recent interest payment date to which interest has been paid or duly provided for, payable semi-annually in arrears on 10 March and 10 September of each year (each an "Interest Payment Date"), commencing September 10, 2021.

Interest

Interest on the Notes will be paid to Holders of record at the close of business on the fifteenth calendar day immediately preceding an Interest Payment Date (each, a "Record Date"), notwithstanding any transfer, exchange or cancellation thereof after a Record Date and prior to the immediately following Interest Payment Date. Interest on the Notes will be calculated on the basis of a 360-day year comprised of twelve 30-day months.

Payment of Notes

In any case in which the date of the payment of principal of, premium (if any) or interest on, the Notes (including any payment to be made on a date fixed for redemption or purchase of any Note) is not a Business Day in the relevant place of payment or in the place of business of the Principal Paying and Transfer Agent, then payment of such principal, premium (if any) or interest need not be made in such place on such date but may be made on the next succeeding Business Day in such place. Any payment made on such Business Day shall have the same force and effect as if made on the date on which such payment is due and no interest on the Notes shall accrue for the period after such date. Interest on overdue principal and interest and Additional Amounts, if any, will accrue at a rate that is 1% higher than the then applicable interest rate on the Notes.

The Notes will be issued only in fully registered form, without coupons, in minimum denominations of US$200,000 and integral multiples of US$1,000 in excess thereof. No service charge will be made for any registration of transfer or exchange of Notes, but the Issuer may require payment of a sum sufficient to cover any transfer tax or other similar governmental charge payable in connection therewith.

All payments on the Notes will be made in U.S. dollars in immediately available funds by the Issuer at the office or agency of the Issuer maintained for that purpose in the Borough of Manhattan, New York City, New York (which initially will be the specified office of the Paying Agent), and the Notes may be presented for registration of transfer or exchange at such office or agency; provided that, payment of interest may be made by wire transfer. Interest payable on the Notes held through DTC will be available to DTC participants (as defined herein) on the Business Day following payment thereof.

The Guarantee

The Guarantee will constitute direct, unconditional, unsecured (subject to the negative pledge covenant) and unsubordinated obligations of the Guarantor. The payment obligations of the Guarantor under the Guarantee will, save for such exceptions as may be provided by applicable legislation, at all times rank *pari passu* with its other existing and future unsecured and unsubordinated obligations and will be effectively subordinated to its secured obligations and the obligations of its subsidiaries. See "*Enforcement of the Guarantee*" and "*Indian Government Filings and Approvals*".

The Guarantee by the Guarantor, shall be subject to all applicable laws including but not limited to the FEMA Guarantee Regulations, FEMA ODI Regulations and the ODI Master Directions, as applicable, and shall be issued in accordance with the approval dated December 16, 2020 for issue of the Guarantee, received by way of an email from the RBI to the AD Bank (the "RBI Approval"). Under the FEMA Guarantee Regulations and the FEMA ODI Regulations, the Guarantee cannot be open-ended. Accordingly, the Guarantee will be released upon the completion of the Guarantee Period. See "*Risk Factors – Risks Relating to the Notes and the Guarantee – The liability of the Guarantor will end on the expiry of the Guarantee Period unless the Guarantee is rolled over or renewed. Any roll-over or renewal of the Guarantee is subject to compliance with the conditions under various regulations including there being no change in any of the terms and conditions of the Guarantee*."

Under the Indenture, the Guarantor will guarantee the due and punctual payment of the principal of, premium (if any) and interest on, and all other amounts payable under, the Notes. The Guarantor will (1) agree that its obligations under the Guarantee will be enforceable irrespective of any invalidity, irregularity or unenforceability of the Notes or the Indenture and (2) waive its right to require the Trustee to pursue or exhaust its legal or equitable remedies against the Issuer prior to exercising its rights under the Guarantee. Moreover, if at any time any amount paid under a Note or the Indenture is rescinded or must otherwise be repaid, the rights of the Holders under the Guarantee will be reinstated with respect to such payments as though such payment had not been made. All payments under the Guarantee are required to be made in U.S. dollars.

The Guarantor's aggregate potential liability under the Guarantee is capped at an amount equal to 105% of the total aggregate principal amount of the Notes outstanding from time to time, being initially U.S.$525,000,000 (the "Guaranteed Amount").

See "*Risk Factors – Risks Relating to the Notes and the Guarantee – The Guarantee is capped at 105 per cent. of the principal amount of the Notes outstanding from time to time and may not be sufficient to repay all amounts due under the Notes and the Indenture.*"

The Guarantor will comply with all requirements under applicable law, including but not limited to the FEMA Guarantee Regulations, the FEMA ODI Regulations, the ODI Master Directions and the RBI Approval and any other approval received by the Guarantor from the RBI or the AD Bank, as the case may be, or any other governmental or regulatory authority, that may be required to give effect to such increase or decrease in its aggregate potential liability under the Guarantee. In addition, the potential liability of the Guarantor under the Guarantee and other financial commitments (as understood under the ODI Master Directions) will, in any financial year, be in compliance with the FEMA Guarantee Regulations, the FEMA ODI Regulations and the ODI Master Directions.

See "*Risk Factors – Risks Relating to the Notes and the Guarantee – The liability of the Guarantor will be capped. The increase in the liability under the Guarantee is subject to the Guarantor having sufficient net worth and compliance with various regulations as well as an overall exposure limit.*"

Release of the Guarantee

The Guarantee shall be released in certain circumstances, including:

- upon repayment in full of the Notes;
- upon a defeasance as described under "– Defeasance – Legal Defeasance and Discharge"; or
- upon the sale or disposition of the Guarantor in compliance with the terms of the Indenture (including the covenants described under "– Certain Covenants – Consolidation, Merger and Sale of Assets").

Further Issues

Subject to the covenants described below and in accordance with the terms of the Indenture, the Issuer may, from time to time, without notice to or the consent of the Holders, create and issue Additional Notes having the same terms and conditions as the Notes (including the benefit of the Guarantee) in all respects (or in all respects except for the issue date, issue price and the first payment of interest on them, the use of proceeds therefrom and, to the extent necessary, certain temporary securities law transfer restrictions) (a "Further Issue") so that such Additional Notes may be consolidated and form a single class with the previously outstanding Notes and vote together as one class on all matters with respect to the Notes; *provided* that Additional Notes that are consolidated and form a single class with the outstanding Notes must be fungible with the outstanding Notes for U.S. federal income tax purposes.

In addition, the issuance of any Additional Notes by the Issuer will be subject to the following conditions:

(1) all obligations with respect to the Additional Notes shall be guaranteed under the Indenture, subject to applicable law and the RBI Approval, the Guarantee (or a guarantee by the Parent Guarantor issued in substantially the same form as the Guarantee) and any other Note Documents to the same extent and on the same basis as the Notes outstanding on the date the Additional Notes are issued;

(2) the Guarantor and the Issuer have delivered to the Trustee an Officers' Certificate, in form and substance satisfactory to the Trustee, confirming that the issuance of the Additional Notes complies with the Indenture and is permitted by the Indenture; and

(3) the Guarantor and the Issuer have delivered to the Trustee one or more Opinions of Counsel, in form and substance satisfactory to the Trustee, confirming, among other things, that the issuance of the Additional Notes does not conflict with applicable law.

Redemption and Repurchase

Except as described under "Optional Redemption," "Redemption for Taxation Reasons," and otherwise as provided in the Indenture, the Notes may not be redeemed prior to maturity (unless they have been repurchased by the Issuer).

Redemption

Unless earlier redeemed in the limited circumstances set forth below, the Notes will mature on March 10, 2026 (the "Maturity Date") at a price equal to 100% of the principal amount thereof. Except as set forth below, the Notes are not redeemable at the option of the Issuer.

Redemption for Taxation Reasons

The Notes may be redeemed, at the option of the Issuer, the Guarantor or a Surviving Person, as a whole but not in part, upon giving not less than 30 days' nor more than 60 days' notice to the Holders, the Trustee and the Principal Paying and Transfer Agent (which notice shall be irrevocable), at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest (including any Additional Amounts), if any, to the date fixed by the Issuer, the Guarantor or the Surviving Person, as the case may be, for redemption (the "Tax Redemption Date") if, as a result of:

(1) any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction affecting taxation; or

(2) any change in the existing official position or the stating of an official position regarding the application or interpretation of such laws, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction),

which change or amendment is announced and becomes effective on or after the Original Issue Date with respect to any payment due or to become due under the Notes, the Indenture or the Guarantee (or, in the case of a Surviving Person, the date such Person became a Surviving Person), the Issuer, the Guarantor or the Surviving Person, as the case may be, is, or on the next Interest Payment Date would be, required to pay Additional Amounts, and such requirement cannot be avoided by the taking of reasonable measures by the Issuer, the Guarantor or the Surviving Person, as the case may be; *provided* that changing the jurisdiction of incorporation of the Issuer outside of the United States, or of the Guarantor or the Surviving Person outside of India is not a reasonable measure for the purposes of this section; *provided further* that no such notice of redemption will be given earlier than 90 days prior to the earliest date on which the Issuer, the Guarantor or the Surviving Person, as the case may be, would be obligated to pay such Additional Amounts if a payment in respect of the Notes were then due; *provided further* that where any such requirement to pay Additional Amounts is due to taxes imposed by India (or any political subdivision or taxing authority thereof or therein), this provision shall only have effect to permit the Notes to be redeemed in the event that the rate of withholding or deduction in respect of which Additional Amounts are required is in excess of 5.0% (plus applicable surcharge and cess).

Prior to the delivery of any notice of redemption of the Notes pursuant to the foregoing, the Issuer, Surviving Person or the Guarantor, as the case may be, will deliver to the Trustee at least 30 days but not more than 60 days before a redemption date:

(1) an Officers' Certificate stating that such change or amendment referred to in the prior paragraph has occurred, describing the facts related thereto and stating that such requirement cannot be avoided by the Issuer, a Surviving Person or the Guarantor, as the case may be, taking reasonable measures available to it; and

(2) an Opinion of Counsel or an opinion of a tax consultant, in either case of recognized standing with respect to tax matters of the Relevant Taxing Jurisdiction, stating that the requirement to pay such Additional Amounts results from such change or amendment referred to in the prior paragraph.

The Trustee is entitled to accept such certificate and opinion as conclusive evidence of the satisfaction of the conditions precedent described above, in which event it shall be conclusive and binding on the Holders.

Any Notes that are redeemed will be cancelled.

Optional Redemption

At any time and from time to time prior to February 10, 2026, the Issuer may redeem the Notes, in whole or in part, upon giving not less than 30 days' nor more than 60 days' notice to the Holders, the Trustee and the Principal Paying and Transfer Agent, at a redemption price equal to 100% of the principal amount of the Notes plus the Applicable Premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date. Neither the Trustee nor any of the Agents shall be responsible for verifying or calculating the Applicable Premium.

At any time and from time to time on or after February 10, 2026, the Issuer may at its option redeem the Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the Notes plus accrued and unpaid interest, if any, to (but not including) the redemption date upon giving not less than 30 days' nor more than 60 days' notice to the Holders, the Trustee and the Principal Paying and Transfer Agent.

In connection with any redemption of Notes referred to in the preceding paragraphs, any such redemption or notice may, at the Issuer's discretion, be subject to one or more conditions precedent. In addition, if such redemption or notice is subject to satisfaction of one or more conditions precedent, such notice may state that, in the Issuer's discretion, the redemption date may be delayed until such time (provided, however, that any delayed redemption date shall not be more than 90 days after the date the relevant notice of redemption was sent) as any or all such conditions shall be satisfied, or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the redemption date, or by the redemption date so delayed.

Selection and Notice

The Issuer will give not less than 30 days' nor more than 60 days' notice of any redemption. If less than all of the Notes are to be redeemed at any time, Notes for redemption will be selected as follows:

(1) if the Notes are listed on any recognized securities exchange and/or are being held through the clearing systems, in compliance with the requirements of the principal recognized securities exchange on which the Notes are listed or in compliance with the requirements of the clearing system; or

(2) if the Notes are not listed on any recognized securities exchange or are not held through the clearing systems, on a pro rata basis, by lot or by such method as the Trustee in its sole discretion deems fair and appropriate unless otherwise required by applicable law. The Trustee will not be liable to the Issuer, the Holders or any other person in respect of the selection made by it.

A Note of US$200,000 in principal amount or less shall not be redeemed in part. If any Note is to be redeemed in part only, the notice of redemption relating to such Note will state the portion of the principal amount to be redeemed. With respect to any Certificated Note, a new Note in principal amount equal to the unredeemed portion will be issued upon cancellation of the original Certificated Note. On and after the redemption date, interest will cease to accrue on Notes or portions of them called for redemption.

Open Market Purchases and Cancellation of Notes

The Issuer or the Guarantor may purchase Notes in the open market or by tender or by any other means at any price. All Notes that are purchased, acquired or otherwise redeemed by the Issuer or the Guarantor will be cancelled.

Repurchase Upon a Change of Control Triggering Event

No later than 30 days following a Change of Control Triggering Event, the Issuer or the Guarantor will make an Offer to Purchase all outstanding Notes (a "Change of Control Offer") at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to (but not including) the Offer to Purchase Payment Date.

The exercise by the Holders of their right to require the Guarantor to purchase the Notes could cause a default under other indebtedness, even if the Change of Control itself does not, due to the financial effect of the purchase on the Guarantor. The Guarantor's ability to pay cash to the Holders following the occurrence of a Change of Control Triggering Event may be limited by the Guarantor's then-existing financial resources. There can be no assurance that sufficient funds will be available when necessary to make the required purchase of the Notes. See "*Risk Factors – Risks Relating to the Notes and the Guarantee – The Issuer and the Guarantor may not be able to meet its obligations to pay or redeem the Notes*."

The Issuer or the Guarantor will not be required to make a Change of Control Offer following a Change of Control Triggering Event if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer to be made by the Guarantor and such third party purchases all Notes validly tendered and not withdrawn under such Change of Control Offer.

The phrase "all or substantially all," as used with respect to the assets of the Guarantor in the definition of "Change of Control," will likely be interpreted under applicable law of the relevant jurisdictions and will be dependent upon particular facts and circumstances. As a result, there may be a degree of uncertainty in ascertaining whether a sale or transfer of "all or substantially all" the assets of the Guarantor has occurred.

A Holder will have no right to require the Issuer to repurchase portions of the Notes if it would result in the issuance of new Notes, representing the portion not purchased, in an amount of less than U.S.$200,000.

Except as described above with respect to a Change of Control Triggering Event, the Indenture does not contain provisions that permit the Holders to require that the Guarantor purchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction. The Trustee shall not be deemed to have knowledge of a Change of Control Triggering Event or any event which could lead to a Change of Control Triggering Event unless and until it obtains actual knowledge of such Change of Control Triggering Event or any event which could lead to a Change of Control Triggering Event through written notification describing the circumstances of such, and identifying the circumstances constituting such Change of Control Triggering Event or any event which could lead to a Change of Control Triggering Event.

Additional Amounts

All payments of principal, premium (if any), and interest on the Notes or under the Guarantee will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or within the United States, India or any other jurisdiction in which the Issuer, a Surviving Person (as defined under "– Certain Covenants – Consolidation, Merger and Sale of Assets") or the Guarantor is or was organized or resident for tax purposes or any political subdivision or taxing authority thereof or therein (each, as applicable, a "Relevant Taxing Jurisdiction") or any jurisdiction through which payment is made by or on behalf of the Issuer, the Guarantor or a Surviving Person, or any political subdivision or taxing authority thereof or therein (together with the Relevant Taxing Jurisdictions, the "Relevant Jurisdictions"), unless such withholding or deduction is required by law or by regulation or governmental policy having the force of law. If any such withholding or deduction is so required, the Issuer, the Guarantor or a Surviving Person, as the case may be, will pay such additional amounts (the "Additional Amounts") as will result in receipt of such amounts as would have been received had no such withholding or deduction been required, except that no Additional Amounts will be payable:

(1) for or on account of:

(a) any tax, duty, assessment or governmental charge that would not have been imposed but for:

(i) the existence of any present or former connection between the Holder or beneficial owner of such Note and the Relevant Jurisdiction other than merely holding such Note or the receipt of payments thereunder or under the Guarantee, or the enforcement of such Notes

or the Guarantee, including, without limitation, such Holder or beneficial owner being or having been a national, domiciliary or resident of such Relevant Jurisdiction or treated as a resident thereof or being or having been physically present or engaged in a trade or business therein or having or having had a permanent establishment therein;

(ii) the presentation of such Note (in cases in which presentation is required) more than 30 days after the later of the date on which the payment of the principal of, premium, if any, and interest on, such Note became due and payable pursuant to the terms thereof or was made or duly provided for, except to the extent that the Holder thereof would have been entitled to such Additional Amounts if it had presented such Note for payment on any date within such 30-day period;

(iii) the presentation of such Note (in cases in which presentation is required) for payment in the Relevant Jurisdiction, unless such Note could not have been presented for payment elsewhere; or

(iv) the failure of the Holder or beneficial owner to comply with a timely request of the Issuer, the Guarantor or a Surviving Person, addressed to the Holder, to provide any applicable information concerning such Holder's or beneficial owner's nationality, residence, identity or connection with any Relevant Jurisdiction (including, without limitation, the provision of information on a United States Internal Revenue Service Form W-8 or Form W-9 (or a successor form)), and due and timely compliance with such request is required under the statutes, regulations or official administrative guidance having a force of law of the Relevant Jurisdiction or under an applicable income tax treaty in order to reduce or eliminate any withholding or deduction as to which Additional Amounts would have otherwise been payable to such Holder or beneficial owner;

(b) any estate, inheritance, gift, sale, transfer, personal property or similar tax, assessment or other governmental charge;

(c) any tax, duty, assessment or other governmental charge which is payable other than by deduction or withholding from payments of principal of or interest or any premium on the Note or payments under the Guarantee;

(d) any tax, duty, assessment or governmental charge that is imposed by reason of (A) the Holder's or beneficial owner's past or present status as the actual or constructive owner of 10 per cent. or more of the total combined voting power of all classes of stock of the Issuer entitled to vote within the meaning of Section 871(h)(3) of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), (B) the Holder's or beneficial owner's past or present status as a controlled foreign corporation that is related directly or indirectly to the Issuer through stock ownership within the meaning of Section 864(d)(4) of the Code, (C) the Holder's or beneficial owner's being or having been a bank (or being or having been so treated) that is treated as receiving amounts paid on an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, or (D) the Holder's or beneficial owner's failure to fulfil the statement requirements of Section 871(h) or 881(c) of the Code;

(e) any tax, duty, assessment or governmental charge imposed by reason of the Holder's or beneficial owner's past or present status (or the past or present status of a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of a power over, such Holder or beneficial owner, if such Holder or beneficial owner is an estate, a trust, a partnership or a corporation) as a personal holding company, private foundation or other tax exempt organization, controlled foreign corporation with respect to the United States, or as a corporation that accumulates earnings to avoid U.S. federal income tax;

(f) any tax, assessment, withholding or deduction required by sections 1471 through 1474 of the Code ("FATCA"), any current or future Treasury Regulations or rulings promulgated thereunder, any law, regulation or other official guidance enacted in any jurisdiction implementing FATCA, any intergovernmental agreement between the United States and any other jurisdiction to implement FATCA, or any agreement with the U.S. Internal Revenue Service under FATCA; or

(g) any combination of taxes, duties, assessments or governmental charges referred to in the preceding clauses (a) to (f) above; or

(2) to a Holder that is a fiduciary, partnership or person other than the sole beneficial owner of any payment to the extent that such payment would be required to be included in the income under the laws of a Relevant Jurisdiction, for tax purposes, of a beneficiary or settlor with respect to the fiduciary, or a member of that partnership or a beneficial owner who would not have been entitled to such Additional Amounts had that beneficiary, settlor, partner or beneficial owner been the Holder thereof.

As a result of these provisions, there are circumstances in which taxes could be withheld or deducted but Additional Amounts would not be payable to some or all beneficial owners of Notes.

The Issuer, the Guarantor or a Surviving Person, as the case may be, will (i) make such withholding or deduction and (ii) remit the full amount deducted or withheld to the relevant authority in accordance with applicable law. The Issuer, the Guarantor or a Surviving Person, as the case may be, will make reasonable efforts to obtain original tax receipts or certified copies thereof evidencing the payment of any taxes, duties, assessment or governmental charges so deducted or withheld and paid to the Relevant Jurisdiction. The Issuer, the Guarantor or a Surviving Person, as the case may be, will furnish to the Trustee, within 60 days after the date of the payment of any taxes, duties, assessment or governmental charges so deducted or withheld is due pursuant to applicable law, either original tax receipts or certified copies thereof evidencing such payment or, if such receipts are not obtainable, other evidence of such payments.

At least 30 days prior to each date on which any payment under or with respect to the Notes is due and payable, if the Issuer, the Guarantor or a Surviving Person, as the case may be, will be obligated to pay Additional Amounts with respect to such payment, the Issuer, the Guarantor or a Surviving Person, as the case may be, will deliver to the Trustee an Officer's Certificate stating the fact that such Additional Amounts will be payable and the amounts so payable and will set forth such other information necessary to enable the Paying Agent to pay such Additional Amounts to the Holders on such payment date.

If the Issuer, the Guarantor or a Surviving Person, as the case may be, will be obligated to pay Additional Amounts with respect to any payment, each Holder or beneficial owner of Notes shall at least 60 days prior to each such date on which any payment under or with respect to the Notes is due, submit (and the Paying Agent and the Trustee shall cause such beneficial owners to submit) such forms and documents (including tax treaty forms and tax residency certificates) as have been communicated to that Holder or beneficial owner by the Issuer (and as may be further communicated from time to time as a result of any change in law or regulation) in order for Issuer and the Guarantor to obtain and maintain authorisation to make payment under the Notes without having to make a tax deduction (or, where it is not legally possible to obtain authorisation to make payment without a tax deduction, with the smallest tax deduction permitted by law).

The Paying Agent and the Trustee will make payments free of withholdings or deductions on account of taxes unless required by applicable law. If such a deduction or withholding is required, the Paying Agent or the Trustee will not be obligated to pay any Additional Amount to the recipient unless such an Additional Amount is received by the Paying Agent or the Trustee.

In addition, the Issuer, the Guarantor or a Surviving Person, as the case may be, will pay any stamp, issue, registration, documentary, value added or other similar taxes and other duties (including interest and penalties) payable in any Relevant Jurisdiction in respect of the creation, issue, offering, execution or

enforcement of, or the receipt of payments under, the Notes, the Guarantee or any documentation with respect thereto. Whenever there is mentioned in any context the payment of principal of, and any premium or interest on, any Note or under the Guarantee, such mention will be deemed to include payment of Additional Amounts provided for in the Indenture to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

Certain Covenants

Negative Pledge

So long as any Note remains outstanding, the Issuer will not create or permit to subsist any Security Interest on the whole or any part of its undertakings, assets, property or revenue, present or future, to secure any Relevant Indebtedness, unless the Issuer, in the case of the creation of the Security Interest, at the same time or prior thereto, takes any and all action to ensure that (x) all amounts payable by it under the Notes and the Indenture are secured by the Security Interest equally and rateably with the Relevant Indebtedness to the satisfaction of the Trustee; or (y) such other Security Interest or other arrangement (whether or not it includes the giving of Security Interest) is provided either (i) as the Trustee shall in its absolute discretion deem not materially less beneficial to the interests of the Noteholders (provided that the Trustee shall not be obliged to exercise such discretion) or (ii) as is approved by the holders of a majority in aggregate principal amount of the Notes.

So long as any Note remains outstanding, the Guarantor will not create or permit to subsist any Security Interest on the whole or any part of its undertakings, assets, property or revenue, present or future, to secure any Relevant Indebtedness, unless the Guarantor, in the case of the creation of the Security Interest, at the same time or prior thereto, takes any and all action to ensure that (x) all amounts payable by it under the Notes and the Indenture, or its equivalent in any other currency, are secured by the Security Interest equally and rateably with the Relevant Indebtedness to the satisfaction of the Trustee; or (y) such other Security Interest or other arrangement (whether or not it includes the giving of Security Interest) is provided either (i) as the Trustee shall in its absolute discretion deem not materially less beneficial to the interests of the Noteholders (provided that the Trustee shall not be obliged to exercise such discretion) or (ii) as is approved by the holders of a majority in aggregate principal amount of the Notes.

However, the foregoing restriction shall not apply to (a) any Security Interest existing on any property or assets at the time of acquisition of such property or assets by the Issuer or the Guarantor; provided that such Security Interest was not created, and the principal, capital or nominal amount of the Relevant Indebtedness secured by such Security Interest outstanding at the time of such acquisition was not increased, in contemplation of such acquisition or in connection therewith, (b) any Security Interest arising out of the refinancing, extension, renewal or refunding of any Relevant Indebtedness secured by any such Security Interest; provided that the principal, capital or nominal amount of such Relevant Indebtedness is not increased and such Relevant Indebtedness are not secured by any additional property or assets, and (c) any Security Interest created or permitted to subsist in connection with a Structured Finance Transaction.

Consolidation, Merger and Sale of Assets

The Issuer will not consolidate with, merge with or into, another Person (other than another member of the Group), permit any Person (other than another member of the Group) to merge with or into it, or sell, convey, transfer, lease or otherwise dispose of all or substantially all of its properties and assets (as an entirety or substantially an entirety in one transaction or a series of related transactions) to any Person (other than another member of the Group); *provided* that, in the event the Issuer so consolidates with, merges with or into, another member of the Group or sells, conveys, transfers, leases or otherwise disposes of all or substantially all of its properties and assets to another member of the Group, such other member of the Group immediately after such transaction, will (a) assume, by a supplemental indenture to the Indenture, executed and delivered to the Trustee, all the obligations of the Issuer under the Indenture and the Notes, which shall remain in full force and effect and (b) deliver to the Trustee an Officers' Certificate and an Opinion of Counsel, in each case stating that such transaction and such supplemental indenture complies with this provision and that all conditions precedent provided for herein relating to such transaction have been complied with.

The Guarantor will not consolidate with, merge with or into another Person (other than another member of the Group), permit any Person (other than another member of the Group) to merge with or into it, or sell, convey, transfer, lease or otherwise dispose of all or substantially all of its and its Subsidiaries' properties and assets (computed on a consolidated basis) (as an entirety or substantially an entirety in one transaction or a series of related transactions) (other than another member of the Group), unless:

(1) the Guarantor shall be the continuing Person, or the Person (if other than it) formed by such consolidation or merger or that acquired or leased such property and assets (the "Surviving Person") shall be a corporation organized and validly existing under the laws of India and shall expressly assume, by a supplemental indenture to the Indenture, executed and delivered to the Trustee, all the obligations of the Guarantor under the Indenture, the Notes and the Guarantee, as the case may be, including the obligation to pay Additional Amounts, and the Indenture, the Notes and the Guarantee, as the case may be, shall remain in full force and effect;

(2) immediately after giving effect to such transaction, no Default shall have occurred and be continuing;

(3) the Guarantor delivers to the Trustee (x) an Officers' Certificate and (y) an Opinion of Counsel, in each case stating that such consolidation, merger or transfer and the relevant supplemental indenture complies with this covenant and that all conditions precedent provided for in the Indenture relating to such transaction have been complied with; and

(4) no Rating Decline shall have occurred.

For purposes of this covenant, the conveyance, transfer or lease of all or substantially all of the property or assets of the Issuer or the Guarantor (as the case may be), which constitutes all or substantially all of the property or assets of the Issuer or the Guarantor (as the case may be) on a consolidated basis, shall be deemed to be the transfer of all or substantially all of the property or assets of the Issuer or the Guarantor (as the case may be).

Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve "all or substantially all" of the property or assets of a Person.

The foregoing provisions would not necessarily afford Holders protection in the event of highly-leveraged or other transactions involving the Issuer or the Guarantor (as the case may be) that may adversely affect Holders.

Events of Default

With respect to the Notes, the occurrence and continuance of the following events will constitute events of default ("Events of Default"):

(i) failure to pay (A) interest on any of the Notes within 30 days of the due date or (B) failure to pay the principal amount thereof or any other amount thereon when due, unless such failure to pay is caused by an administrative or technical error and such payment is made within 5 Business Days of the due date; or

(ii) the Issuer or the Guarantor does not perform or comply with any one or more of its other obligations in the Notes or the Indenture, which default is not remedied within 60 days after notice of such default shall have been given to the Issuer or the Guarantor, as the case may be, by the holders of 25% or more of the aggregate principal amount of the outstanding Notes; or

(iii) (a) any other present or future indebtedness for borrowed money of the Issuer or the Guarantor shall have been accelerated so that the same becomes due and payable prior to its Stated Maturity by reason of a default, and such acceleration shall not be rescinded or annulled (by reason of a remedy, cure or waiver thereof with respect to the default upon which such acceleration is based) within 10 days after such acceleration, or (b) any such indebtedness for borrowed money is not paid when due or, as the case may be, within any applicable grace period originally provided for, or (c) the Issuer or the Guarantor fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any indebtedness for borrowed money; provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this paragraph (iii) have occurred equals or exceeds U.S.$75,000,000 or its equivalent; or

(iv) a distress, attachment, execution or other legal process is levied, enforced or sued upon or against any material part of the property, assets or revenues of the Issuer or the Guarantor by any person or entity and is not either discharged or stayed within 90 days unless enforcement or suit is being contested in good faith and by appropriate proceedings provided that the aggregate amount of the relevant amounts in respect of which one or more of the events mentioned above in this paragraph (iv) have occurred equals or exceeds U.S.$75,000,000 or its equivalent; or

(v) an encumbrancer takes possession, or a receiver or other similar person is appointed over, or an attachment order is issued in respect of, the whole or any material part of the undertaking, property, assets or revenues of the Issuer or the Guarantor and in any such case such possession, appointment or attachment is not stayed or terminated, or the debt on account of which such possession was taken or appointment or attachment was made is not discharged or satisfied within 90 days of such possession, appointment or the issue of such order; or

(vi) the Issuer or the Guarantor is declared by a court of competent jurisdiction to be insolvent, bankrupt or unable to pay its debts, or stops, suspends or threatens to stop or suspend payment of all or a material part of its debts as they mature, or applies for, or consents to or suffers the appointment of an administrator, liquidator or receiver or other similar person in respect of the Issuer or the Guarantor or over the whole or any material part of its undertaking, property, assets or revenues pursuant to any insolvency law and such appointment is not discharged or stayed within 90 days of its taking effect or takes any proceeding under any law for a readjustment or deferment of its obligations or any part of them or makes or enters into a general assignment or an arrangement or composition with or for the benefit of its creditors, except in any such case for the purpose of and followed by a reconstruction, amalgamation, reorganization, merger or consolidation not otherwise prohibited under the Notes, the Guarantee and the Indenture; or

(vii) an order of a court of competent jurisdiction is made or an effective resolution passed for the winding-up or dissolution of the Issuer, the Guarantor, or the Issuer or the Guarantor ceases to carry on all or substantially all of its business or operations, except in any such case for the purpose of and followed by a reconstruction, amalgamation, reorganization, merger or consolidation not otherwise prohibited under the Notes, the Guarantee and the Indenture; or

(viii) any governmental authority or agency compulsorily purchases or expropriates all or any material part of the assets of the Issuer or the Guarantor without fair compensation; or

(ix) the Guarantee is not (or is claimed by the Guarantor in writing not to be) in full force and effect; or

(x) the Guarantor ceases to control, directly or indirectly, more than 50% of the voting power of equity share capital of the Issuer; or

(xi) any event occurs, which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in paragraphs (vi) and (vii) above.

As used in the above Events of Default, "indebtedness for borrowed money" means any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of (i) money borrowed, (ii) liabilities under or in respect of any acceptance or acceptance credit or capital leases or (iii) any notes, bonds, debentures, debenture stock, loan stock or other securities offered, issued or distributed whether by way of public offer, private placing, acquisition consideration or otherwise and whether issued for cash or in whole or in part for a consideration other than cash.

If an Event of Default (other than an Event of Default specified in clause (vi) or (vii) above) occurs and is continuing under the Indenture, the Trustee or the Holders of at least 25% in aggregate principal amount of the Notes then outstanding, by written notice to the Issuer (and to the Trustee if such notice is given by the Holders), may, and the Trustee at the written direction of Holders of at least 25% in aggregate principal amount of the Notes then outstanding shall, subject to being pre-funded and/or indemnified and/or secured to its satisfaction, declare the principal of, premium, if any, and accrued and unpaid interest on the Notes to be immediately due and payable.

Repatriation of proceeds outside India by the Guarantor under an indemnity clause requires the prior approval of the RBI, in accordance with the extant applicable laws and regulations of India, including the rules and regulations framed under the Foreign Exchange Management Act, 1999, as amended.

Upon a declaration of acceleration, such principal of, premium, if any, and accrued and unpaid interest shall be immediately due and payable. If an Event of Default specified in clause (vi) or (vii) above occurs with respect to the Issuer or the Guarantor, the principal of, premium, if any, and accrued and unpaid interest on the Notes then outstanding shall automatically become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holder. After any such acceleration, but before a judgment or decree based on acceleration is obtained by the Trustee, the Holders of a majority in aggregate principal amount of the Notes then outstanding, by written notice to the Issuer and the Trustee, may choose to rescind and annul such acceleration if all existing Events of Default, other than the nonpayment of accelerated principal, premium or interest, have been cured or waived as provided in the Indenture.

If an Event of Default occurs and is continuing, the Trustee may pursue, in its own name or as trustee of an express trust, any available remedy by proceeding at law or in equity to collect the payment of principal of and interest on the Notes or to enforce the performance of any provision of the Notes or the Indenture. The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding.

The Holders of at least a majority in aggregate principal amount of the outstanding Notes may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee. However, the Trustee may refuse to follow any direction that conflicts with law or the Indenture, that may involve the Trustee in personal liability, that the Trustee determines in good faith may be unduly prejudicial to the rights of Holders not joining in the giving of such direction or if it is not provided with pre-funding and/or security and/or indemnity to its satisfaction and may take any other action it deems proper that is not inconsistent with any such direction received from Holders. In addition, the Trustee will not be required to expend its own funds under any circumstances.

A Holder may not institute any proceeding, judicial or otherwise, with respect to the Indenture, the Notes or the Guarantee, or for the appointment of a receiver or trustee, or for any other remedy under the Indenture, the Notes or the Guarantee, unless:

(1) the Holder has previously given the Trustee written notice of a continuing Event of Default;

(2) the Holders of at least 25% in aggregate principal amount of outstanding Notes make a written request to the Trustee to pursue the remedy;

(3) such Holder or Holders offer the Trustee pre-funding and/or indemnity and/or security satisfactory to the Trustee against any costs, liability or expense to be incurred in compliance with such request;

(4) the Trustee does not comply with the request within 60 days after receipt of the written request and the offer of pre-funding and/or indemnity and/or security; and

(5) during such 60-day period, the Holders of a majority in aggregate principal amount of the outstanding Notes do not give the Trustee a direction that is inconsistent with the request.

However, such limitations do not apply to the right of any Holder to receive payment of the principal of, premium, if any, or interest on, such Note or any payment under the Guarantee, or to bring suit for the enforcement of any such payment, on or after the due date expressed in the Notes, which right shall not be impaired or affected without the consent of the Holder.

Two Officers of each of the Issuer and the Guarantor must certify to the Trustee in writing, on or before a date not more than 150 days after the end of each fiscal year and also within 10 business days after any written request by the Trustee, that a review has been conducted of the activities of the Guarantor and the Issuer and the Guarantor's and the Issuer's performance under the Indenture and that each of the Guarantor and the Issuer has fulfilled all obligations thereunder, or, if there has been a default in the fulfillment of any such obligation, specifying each such default and the nature and status thereof. The Guarantor and the Issuer will also be obligated to promptly, and in any event no later than five Business Days, notify the Trustee in writing of any default or defaults in the performance of any covenants or agreements under the Indenture and what action the Issuer or the Guarantor is taking or proposes to take with respect thereto. The Trustee shall not be deemed to have knowledge of a Default or Event of Default unless and until it obtains actual knowledge of such Default or Event of Default through written notification describing the circumstances of such, and identifying the circumstances constituting such Default or Event of Default.

No Payments for Consents

The Guarantor will not, and shall not permit any of its Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration, whether by way of interest, fee or otherwise, to any Holder for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of the Indenture or the Notes unless such consideration is offered to be paid or is paid to all Holders that consent, waive or agree to amend such term or provision within the time period set forth in the solicitation documents relating to such consent, waiver or amendment.

Notwithstanding the foregoing, in any offer or payment of consideration for, or as an inducement to, any consent, waiver or amendment of any of the terms or provisions of the Indenture, the Notes or the Guarantee in connection with an exchange offer or a tender offer, the Issuer, the Guarantor and any of their Subsidiaries may exclude (a) Holders or beneficial owners of the Notes that are not qualified institutional buyers as defined in Rule 144A under the Securities Act, and (b) Holders or beneficial owners of the Notes in any jurisdiction where (i) the inclusion of such Holders or beneficial owners would require the Issuer, the Guarantor or any of their Subsidiaries to (A) comply with the registration requirements or other similar requirements (including to file a registration statement, prospectus or similar document), or subject the Issuer, the Guarantor or any of their Subsidiaries to ongoing periodic reporting or similar requirements under any securities laws (including, but not limited to, the United States federal securities laws and the laws of the European Union or its member states), (B) qualify as a foreign corporation or other entity as a dealer in securities in such jurisdiction if it is not otherwise required to so qualify, or (C) generally consent to service of process in any such jurisdiction or (ii) the inclusion of such Holders or beneficial owners would subject the Issuer, the Guarantor or any of their Subsidiaries to taxation in any such jurisdiction if it is not otherwise so subject, or (iii) the solicitation of such consent, waiver or amendment from, or the granting of such consent or waiver, or the approval of such amendment by, Holders or beneficial owners in such jurisdiction would be unlawful, in each case as determined by the Issuer, the Guarantor or their Subsidiaries in its sole discretion.

Defeasance

Legal Defeasance and Discharge

The Indenture will provide that the Issuer will be deemed to have paid and will be discharged from any and all obligations in respect of the Notes on day after the deposit referred to below, and the provisions of the Indenture will no longer be in effect with respect to the Notes (except for, among other matters, certain obligations to register the transfer or exchange of the Notes, to replace stolen, lost or mutilated Notes, to maintain paying agencies and to hold monies for payment in trust and the rights of the Holders as beneficiaries hereof with respect to the monies so deposited with the Trustee (or its agent) payable to all or any of them) if, among other things:

(1) the Issuer (a) has deposited with the Trustee (or its agent), in trust and the Trustee may further deposit in another account for and on behalf of the Issuer, cash in U.S. dollars, U.S. Government Obligations or any combination thereof that through the payment of interest and principal in respect thereof in accordance with their terms will provide money in an amount sufficient to pay the principal of, premium, if any, and accrued interest on the Notes on the Stated Maturity for such payments in accordance with the terms of the Indenture and the Notes and (b) delivers to the Trustee an Opinion of Counsel or a certificate of an internationally recognized firm of independent accountants to the effect that the amount deposited by the Issuer is sufficient to provide payment for the principal of, premium, if any, and accrued interest on, the Notes on the Stated Maturity for such payment in accordance with the terms of the Indenture and the Notes and an Opinion of Counsel to the effect that the Holders have a valid, perfected, exclusive security in the trust;

(2) the Issuer has delivered to the Trustee (a) either (i) an Opinion of Counsel from a firm of recognized international standing with respect to U.S. federal income tax matters which is based on a change in applicable U.S. federal income tax law occurring after the Original Issue Date to the effect that beneficial owners will not recognize income, gain or loss for U.S. federal income tax purposes as a result of the Issuer's exercise of its option under this "Legal Defeasance and Discharge" provision and will be subject to U.S. federal income tax on the same amounts and in the same manner and at the same times as would have been the case if such deposit, defeasance and discharge had not occurred or (ii) a ruling directed to the Trustee received from the U.S. Internal Revenue Service to the same effect as the aforementioned Opinion of Counsel and (b) an Opinion of Counsel from a firm of recognized international standing to the effect that the creation of the defeasance trust does not violate the U.S. Investment Company Act of 1940, as amended, and the trust fund will not be subject to the effect of Section 547 of the United States Bankruptcy Code or Section 15 of the New York Debtor and Creditor Law;

(3) the Issuer shall have delivered to the Trustee an Officers' Certificate stating that the deposit was not made by it with the intent of preferring the Holders over any other of its creditors or with the intent of defeating, hindering, delaying or defrauding any other of its creditors or others;

(4) immediately after giving effect to such deposit on a pro forma basis, no Event of Default, or event that after the giving of notice or lapse of time or both would become an Event of Default, shall have occurred and be continuing on the date of such deposit or during the period ending on the date of repayment under the Notes, and such defeasance shall not result in a breach or violation of, or constitute a default under, any other agreement or instrument to which the Guarantor or any of its Subsidiaries is a party or by which the Guarantor or any of its Subsidiaries is bound; and

(5) the Issuer has delivered to the Trustee an Officers' Certificate and Opinion of Counsel, each stating that all conditions precedent to the defeasance and discharge of the Notes have been complied with as required by the Indenture.

In the case of either discharge or defeasance of the Notes, the Guarantee will terminate.

Defeasance of Certain Covenants

The Indenture further will provide that the provisions of the Indenture applicable to the Notes will no longer be in effect with respect to clause (3)(x) and (4) under the second paragraph under "– Consolidation, Merger and Sale of Assets", all the covenants described herein under "– Certain Covenants," clause (ii) under "Events of Default" with respect to clause (3)(x) and (4) under the second paragraph under "Consolidation, Merger and Sale of Assets" and with respect to the other events set forth in such clause, and with respect to such other covenants and clauses (iii) and (iv) under "Events of Default" shall be deemed not to be Events of Default upon, among other things, the deposit with the Trustee (or its agent), in trust, of cash in U.S. dollars, U.S. Government Obligations or a combination thereof that through the payment of interest and principal in respect thereof in accordance with their terms will provide money in an amount sufficient to pay the principal of, premium, if any, and accrued interest on the Notes on the Stated Maturity of such payments in accordance with the terms of the Indenture and the Notes, the satisfaction of the provisions described in clauses (2)(b), (3) and (5) of the first paragraph under the caption "– Legal Defeasance and Discharge" and the delivery by the Issuer to the Trustee of an Opinion of Counsel from a firm of recognized international standing with respect to U.S. federal income tax matters to the effect that beneficial owners of the Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit and defeasance of certain covenants and Events of Default and will be subject to U.S. federal income tax on the same amounts and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred.

Defeasance and Certain Other Events of Default

In the event that the Issuer exercises its option to omit compliance with certain covenants and provisions of the Indenture as described in the immediately preceding paragraph and the Notes are declared due and payable because of the occurrence of an Event of Default that remains applicable, the amount of cash in U.S. dollars and/or U.S. Government Obligations on deposit with the Trustee (or its agent) will be sufficient to pay amounts due on the Notes at the time of their Stated Maturity but may not be sufficient to pay amounts due on the Notes at the time of the acceleration resulting from such Event of Default. However, the Issuer and the Guarantor will remain liable for such payments.

Amendments and Waiver

Amendments Without Consent of Holders

The Indenture, the Notes or the Guarantee may be amended, without the consent of any Holder, to:

(1) cure any ambiguity, defect, omission or inconsistency in the Indenture, the Notes or the Guarantee;

(2) evidence and provide for the acceptance of appointment by a successor Trustee;

(3) release the Guarantor from the Guarantee, as provided or permitted by the terms of the Indenture;

(4) provide for the issuance of Additional Notes in accordance with the limitations set forth in the Indenture;

(5) provide for the assumption by a successor entity of the obligations of the Issuer or any Guarantor under the Indenture, the Notes or the Guarantees in accordance with "– Certain Covenants – Merger and Consolidation";

(6) secure the Notes and the Note Guarantees in accordance with "Certain Covenants – Negative Pledge";

(7) in any other case where a supplemental indenture to the Indenture is required or permitted to be entered into pursuant to the provisions of the Indenture without the consent of any Holder;

(8) effect any changes to the Indenture in a manner necessary to comply with the procedures of DTC, Euroclear or Clearstream;

(9) make any other change that does not materially and adversely affect the interest or rights of any Holder;

(10) conform the text of the Indenture, the Notes or the Guarantee to any provision of this "Description of the Notes and the Guarantee" to the extent that such provision in this "Description of the Notes and the Guarantee" was intended to be a verbatim recitation of a provision in the Indenture, the Notes or the Guarantee; or

(11) make any amendment to the provisions of the Indenture relating to the transfer and legending of Notes as permitted by the Indenture, including, without limitation, to facilitate the issuance and administration of the Notes or, if incurred in compliance with the Indenture, Additional Notes; provided, however, that (A) compliance with the Indenture as so amended would not result in Notes being transferred in violation of the Securities Act or any applicable securities law and (B) such amendment does not materially and adversely affect the rights of Holders to transfer Notes.

The consent of the Holders is not necessary under the Indenture to approve the particular form of any proposed amendment, supplement or waiver. It is sufficient if such consent approves the substance of the proposed amendment or supplement. A consent to any amendment, supplement or waiver under the Indenture by any Holder given in connection with a tender of such Holder's Notes will not be rendered invalid by such tender. After an amendment, supplement or waiver under the Indenture becomes effective, the Issuer is required to give to the Holders a notice briefly describing such amendment, supplement or waiver. However, the failure to give such notice to all the Holders, or any defect in the notice will not impair or affect the validity of any such amendment, supplement or waiver.

Amendments With Consent of Holders

The Indenture, the Notes or the Guarantee may be modified or amended, and future compliance with any provision thereof may be waived, with the consent of the Holders of not less than a majority in aggregate principal amount of the outstanding Notes; *provided*, however, that no such modification, amendment or waiver may, without the consent of Holders of not less than 90 per cent in aggregate principal amount of the outstanding Notes in order to:

(1) change the Stated Maturity of the principal of, or any installment of interest on, any Note;

(2) reduce the principal amount of, or premium, if any, or interest on, any Note;

(3) change the place, currency or time of payment of principal of, or premium, if any, or interest on, any Note;

(4) impair the right to institute suit for the enforcement of any payment on or after the Stated Maturity (or, in the case of a redemption, on or after the redemption date) of any Note or the Guarantee;

(5) reduce the above-stated percentage of outstanding Notes the consent of whose Holders is necessary to modify or amend the Indenture or the Guarantee;

(6) waive a default in the payment of principal of, premium, if any, or interest on the Notes;

(7) release the Guarantor from the Guarantee, except as provided in the Indenture;

(8) reduce the percentage or aggregate principal amount of outstanding Notes the consent of whose Holders is necessary for waiver of compliance with certain provisions of the Indenture or for waiver of certain defaults;

(9) amend, change or modify the Guarantee in a manner that adversely affects the interests or rights of the Holders, except as provided in the Indenture;

(10) reduce the amount payable upon a Change of Control Offer Triggering Event or change the time or manner by which a Change of Control Offer may be made or by which the Notes must be repurchased pursuant to a Change of Control Offer after the obligation to make such Change of Control Offer has arisen;

(11) change the redemption date or the redemption price of the Notes from that stated under the captions "– Optional Redemption" or "– Redemption for Taxation Reasons;"

(12) amend, change or modify the obligation of the Issuer or the Guarantor to pay Additional Amounts; or

(13) amend, change or modify any provision of the Indenture or the related definition affecting the ranking of the Notes or the Guarantee in a manner which adversely affects the interests or rights of the Holders,

unless any such change is necessitated by any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) applicable to the Issuer or the Guarantor.

Unclaimed Money

Claims against the Issuer for the payment of principal of, premium, if any, or interest, on the Notes will become void unless presentation for payment is made as required in the Indenture within a period of six years.

No Personal Liability of Incorporators, Stockholders, Officers, Directors or Employees

No recourse for the payment of the principal of, premium, if any, or interest on any of the Notes or for any claim based thereon or otherwise in respect thereof, and no recourse under or upon any obligation, covenant or agreement of the Issuer or the Guarantor in the Indenture, or in any of the Notes or the Guarantee, or because of the creation of any Indebtedness represented thereby, shall be had against any incorporator, stockholder, officer, director, employee or controlling person of the Issuer or the Guarantor, or of any successor Person thereof. Each Holder, by accepting the Notes, waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Notes and the Guarantee. Such waiver may not be effective to waive liabilities under the U.S. federal and other applicable securities laws.

Concerning the Trustee and the Agents

Citicorp International Limited is to be appointed as Trustee under the Indenture and Citibank, N.A., London Branch is to be appointed as registrar (the "Registrar"), principal paying and transfer agent (the "Principal Paying and Transfer Agent" and together with the Registrar, the "Agents") in accordance with the terms of the Indenture. Prior to the occurrence of an Event of Default, the Trustee will not be liable for the performance of such duties as are specifically set forth in the Indenture or the Notes except to the extent of its own gross negligence or wilful default. No implied covenant or obligation shall be read into the Indenture or the Notes against the Trustee. If an Event of Default has occurred and is continuing, the Trustee will use the same degree of care and skill in its exercise of the rights and powers vested in it under the Indenture as a prudent person would exercise under the circumstances in the conduct of such person's own affairs. The Trustee will be under no obligation to exercise any of its rights or powers under the Indenture for the benefit of Holders, unless such Holders shall have instructed the Trustee in writing and offered to the Trustee pre-funding and/or security and/or indemnity satisfactory to it against any loss, liability or expense. Furthermore, each Noteholder, by accepting the Notes will agree, for the benefit of the Trustee, that it is solely responsible for its own independent appraisal of, and investigation into, all such risks arising under or in connection with the Notes and the Indenture and has not relied on and will not at any time rely on the Trustee in respect of such risks.

The Indenture contains limitations on the rights of the Trustee, should it become a creditor of the Guarantor, to obtain payment of claims in certain cases or to realize on certain property received by it in respect of any such claims, as security or otherwise. The Trustee is permitted to engage in other transactions, including normal banking and trustee relationships, with the Guarantor and its affiliates.

Book-Entry; Delivery and Form

The certificates representing the Notes will be issued in fully registered form without interest coupons. Notes sold in offshore transactions in reliance on Regulation S under the Securities Act will initially be represented by one or more permanent global notes in definitive, fully registered form without interest coupons (each a "Regulation S Global Note") and will be deposited with a common depositary, as custodian for, and registered in the name of a nominee of, DTC for the accounts of Euroclear and Clearstream.

Notes sold in reliance on Rule 144A will be represented by one or more permanent global notes in definitive, fully registered form without interest coupons (each a "Restricted Global Note;" and together with the Regulation S Global Notes, the "Global Notes") and will be deposited with a common depositary, as custodian for, and registered in the name of a nominee of, DTC.

Each Global Note (and any Notes issued for exchange therefor) will be subject to certain restrictions on transfer set forth therein as described under "Transfer Restrictions."

Ownership of beneficial interests in a Global Note will be limited to persons who have accounts with DTC ("participants") or persons who hold interests through participants. Ownership of beneficial interests in a Global Note will be shown on, and the transfer of that ownership will be effected only through, records maintained by DTC or its nominee (with respect to interests of participants) and the records of participants (with respect to interests of persons other than participants). Qualified institutional buyers may hold their interests in a Restricted Global Note directly through DTC if they are participants in such system, or indirectly through organizations which are participants in such system.

Investors may hold their interests in a Regulation S Global Note directly through Euroclear or Clearstream, if they are participants in such systems, or indirectly through organizations that are participants in such system. Euroclear and Clearstream will hold interests in the Regulation S Global Notes on behalf of their participants through DTC.

So long as DTC, or its nominee, is the registered owner or holder of a Global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Global Note for all purposes under the Indenture and the Notes. No beneficial owner of an interest in a Global Note will be able to transfer that interest except in accordance with DTC's applicable procedures, in addition to those provided for under the Indenture and, if applicable, those of Euroclear and Clearstream.

Payments of the principal of, and interest on, a Global Note will be made to DTC or its nominee, as the case may be, as the registered owner thereof. Neither the Issuer, the Guarantor, the Trustee, the Registrar nor the Principal Paying and Transfer Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in a Global Note or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

The Issuer expects that DTC or its nominee, upon receipt of any payment of principal or interest in respect of a Global Note, will credit participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of such Global Note as shown on the records of DTC or its nominee. The Issuer also expects that payments by participants to owners of beneficial interests in such Global Note held through such participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such participants.

Transfers between participants in DTC will be effected in the ordinary way in accordance with DTC rules and will be settled in same-day funds. Transfers between participants in Euroclear and Clearstream will be effected in the ordinary way in accordance with their respective rules and operating procedures.

The Issuer expects that DTC will take any action permitted to be taken by a Holder (including the presentation of Notes for exchange as described below) only at the direction of one or more participants to whose account the book-entry interests in a Global Note is credited and only in respect of such portion of

the aggregate principal amount of Notes as to which such participant or participants has or have given such direction. However, if there is an Event of Default under the Notes, DTC will exchange the applicable Global Note for Certificated Notes, which it will distribute to its participants and which may be legended as set forth under the heading "Transfer Restrictions."

The Issuer understands that: DTC is a limited purpose trust company organized under the laws of the State of New York, a "banking organization" within the meaning of New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the Uniform Commercial Code and a "Clearing Agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its participants and to facilitate the clearance and settlement of securities transactions between participants through electronic book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of securities certificates. Indirect access to the DTC system is available to others such as banks, brokers, dealers and trust companies and certain other organizations that clear through or maintain a custodial relationship with a participant, either directly or indirectly ("indirect participants").

Although DTC, Euroclear and Clearstream are expected to follow the foregoing procedures in order to facilitate transfers of interests in a Global Note among participants of DTC, Euroclear and Clearstream, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Guarantor, the Trustee, the Agents or any of their respective agents will have any responsibility for the performance by DTC, Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

If DTC is at any time unwilling or unable to continue as a depository for the Global Notes and a successor depositary is not appointed by the Issuer within 90 days, the Issuer will issue Certificated Notes in registered form, which may bear the legend referred to under "Transfer Restrictions," in exchange for the Global Notes. Holders of an interest in a Global Note may receive Certificated Notes, which may bear the legend referred to under "Transfer Restrictions," in accordance with the DTC's rules and procedures in addition to those provided for under the Indenture.

For so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer will appoint and maintain a Singapore paying agent in the event that the Global Notes are exchanged for Certificated Notes, and the Issuer shall provide details of such exchange including all material information with respect to the delivery of the Certificated Notes, including details of the Singapore paying agent by way of an announcement to the SGX-ST.

The Clearing Systems

General

DTC, Euroclear and Clearstream have advised the Issuer as follows:

DTC. DTC is a limited-purpose trust company organized under the laws of the State of New York, a "banking organization" within the meaning of New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities of its participants and to facilitate the clearance and settlement of securities transactions among its participants in such securities through electronic book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of securities certificates. DTC's participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations, some of whom own DTC, and may include the Initial Purchasers. Indirect access to the DTC system is also available to others that clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly. Transfers of ownership or other interests in Notes in DTC may be made only through DTC participants. In addition, beneficial owners of Notes in DTC will receive all distributions of principal of and interest on the Notes from the Trustee through such DTC participant.

Euroclear and Clearstream. Euroclear and Clearstream hold securities for participating organizations and facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream provide to their participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream interface with domestic securities markets. Euroclear and Clearstream participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations. Indirect access to Euroclear or Clearstream is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Euroclear or Clearstream participant, either directly or indirectly.

Initial Settlement

Initial settlement for the Notes will be made in immediately available funds. All Notes issued in the form of global notes will be deposited with the Trustee as custodian for, and registered in the name of, Cede & Co. as nominee for DTC. Investors' interests in Notes held in book-entry form by DTC will be represented through financial institutions acting on their behalf as direct and indirect participants in DTC. As a result, Euroclear and Clearstream will initially hold positions on behalf of their participants through DTC.

Investors electing to hold their Notes through DTC (other than through accounts at Euroclear or Clearstream) must follow the settlement practices applicable to United States corporate debt obligations. The securities custody accounts of investors will be credited with their holdings against payment in same day funds on the settlement date.

Investors electing to hold their Notes through Euroclear or Clearstream accounts will follow the settlement procedures applicable to conventional Eurobonds in registered form. Notes will be credited to the securities custody accounts of Euroclear Holders and of Clearstream Holders on the business day following the settlement date against payment for value on the settlement date.

Secondary Market Trading

Because the purchaser determines the place of delivery, it is important to establish at the time of trading of any Notes where both the purchaser's and seller's accounts are located to ensure that settlement can be made on the desired value date.

Trading between DTC Participants. Secondary market trading between DTC participants will occur in the ordinary way in accordance with DTC rules and will be settled using the procedures applicable to United States corporate debt obligations in same-day funds using DTC's Same Day Funds Settlement System.

Trading between Euroclear and Clearstream Participants. Secondary market trading between Euroclear participants and Clearstream participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Clearstream and Euroclear and will be settled using the procedures applicable to conventional Eurobonds in same-day funds.

Trading between DTC Seller and Euroclear or Clearstream Purchaser. When Notes are to be transferred from the account of a DTC participant to the account of a Euroclear participant or a Clearstream participant, the purchaser must send instructions to Euroclear or Clearstream through a participant at least one Business Day prior to settlement. Euroclear or Clearstream, as the case may be, will receive the Notes against payment. Payment will then be made to the DTC participant's account against delivery of the Notes. Payment will include interest accrued on the Notes from and including the last interest payment date to and excluding the settlement date, on the basis of a calendar year consisting of twelve 30-day calendar months. For transactions settling on the 31st day of the month, payment will include interest accrued to and excluding the first day of the following month. Payment will then be made to the DTC participant's account against delivery of the Notes. After settlement has been completed, the Notes will be credited to the respective clearing system and by the clearing system, in accordance with its usual procedures, to the

Euroclear participant's or Clearstream participant's account. Credit for the Notes will appear on the next day (European time) and cash debit will be back-valued to, and the interest on the Notes will accrue from, the value date (which would be the preceding day when settlement occurs in New York City, New York). If settlement is not completed on the intended value date (i.e., the trade date fails), the Euroclear or Clearstream cash debit will be valued instead as of the actual settlement date.

Euroclear participants or Clearstream participants will need to make available to the respective clearing systems the funds necessary to process same-day funds settlement. The most direct means of doing so is to pre-position funds for settlement, either from cash on hand or existing lines of credit, as they would for any settlement occurring within Euroclear or Clearstream. Under this approach, they may take on credit exposure to Euroclear or Clearstream until the Notes are credited to their accounts one day later.

As an alternative, if Euroclear or Clearstream has extended a line of credit to them, participants can elect not to pre-position funds and allow that credit line to be drawn upon to finance settlement. Under this procedure, Euroclear participants or Clearstream participants purchasing Notes would incur overdraft charges for one day, assuming they cleared the overdraft when the Notes were credited to their accounts. However, interest on the Notes would accrue from the value date. Therefore, in many cases, the investment income on Notes earned during that one-day period may substantially reduce or offset the amount of such overdraft charges, although this result will depend on each participant's particular cost of funds.

The sale proceeds will be available to the DTC seller on the settlement date. Thus, to the DTC participant, a cross-market transaction will settle no differently than a trade between two DTC participants.

Finally, day traders that use Euroclear or Clearstream and that purchase Notes from DTC participants for credit to Euroclear participants or Clearstream participants should note that these trades will automatically fail on the sale side unless affirmative action is taken. At least three techniques should be readily available to eliminate this potential problem:

(1) borrowing through Euroclear or Clearstream for one day (until the purchase side of the day trade is reflected in their Euroclear account or Clearstream account) in accordance with the clearing system's customary procedures;

(2) borrowing the Notes in the United States from a DTC participant no later than one day prior to settlement, which would give the Notes sufficient time to be reflected in the borrower's Euroclear account or Clearstream account in order to settle the sale side of the trade; or

(3) staggering the value dates for the buy and sell sides of the trade so that the value date for the purchase from the DTC participant is at least one day prior to the value date for the sale to the Euroclear participants or Clearstream participants.

Trading between Euroclear or Clearstream Seller and DTC Purchaser. Due to the time zone differences in their favor, Euroclear participants or Clearstream participants may employ their customary procedures for transactions in which Notes are to be transferred by the respective clearing system to another DTC participant. The seller must send instructions to Euroclear or Clearstream through a participant at least one business day prior to settlement. In these cases, Euroclear or Clearstream will credit the Notes to the DTC participant's account against payment. Payment will include interest accrued on the Notes from and including the last interest payment date to and excluding the settlement date, on the basis of a calendar year consisting of twelve 30-day calendar months.

For transactions settling on the 31st day of the month, payment will include interest accrued to the Notes excluding the first day of the following month. Payment will then be made to the DTC participant's account against delivery of the Notes. The payment will then be reflected in the account of the Euroclear participant or Clearstream participant the following day, and receipt of the cash proceeds in the Euroclear or Clearstream participant's account will be back-valued to the value date (which would be the preceding day when settlement occurs in New York City, New York). If the Euroclear participant or Clearstream

participant has a line of credit with its respective clearing system and elects to draw on such line of credit in anticipation of receipt of the sale proceeds in its account, the back-valuation may substantially reduce or offset any overdraft charges incurred over the one-day period. If settlement is not completed on the intended value date (i.e., the trade fails), receipt of the cash proceeds in the Euroclear or Clearstream participant's account would instead be valued as of the actual settlement date.

As in the case with respect to sales by a DTC participant to a Euroclear or Clearstream participant, participants in Euroclear and Clearstream will have their accounts credited the day after their settlement date. See "– Trading between DTC Seller and Euroclear or Clearstream Purchaser" above.

None of the Issuer, the Guarantor, the Trustee, the Agents or any of their respective agents will have any responsibility for the performance by DTC, Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Notices

All notices or demands required or permitted by the terms of the Notes or the Indenture to be given to or by the Holders are required to be in writing and may be given or served by being sent by prepaid courier or by being deposited, first-class postage prepaid, in the United States mails (if intended for the Issuer or the Guarantor or the Trustee) addressed to the Issuer or the Guarantor at the address of the Guarantor specified in the Indenture; addressed to the Trustee at the corporate trust office of the Trustee; and (if intended for any Holder) addressed to such Holder at such Holder's last address as it appears in the Note register (or otherwise delivered to such Holders in accordance with the applicable DTC, Euroclear or Clearstream procedures).

Any such notice or demand will be deemed to have been sufficiently given or served when so sent or deposited and, if to the Holders, when delivered in accordance with the applicable rules and procedures of DTC. Any such notice shall be deemed to have been delivered on the day such notice is delivered to DTC or if by mail, when so sent or deposited.

Consent to Jurisdiction; Service of Process

The Issuer and the Guarantor will irrevocably (1) submit to the non-exclusive jurisdiction of any U.S. federal or New York state court located in the Borough of Manhattan, New York City, New York in connection with any suit, action or proceeding arising out of, or relating to, the Notes, the Guarantee, the Indenture or any transaction contemplated thereby; and (2) designate and appoint Corporation Service Company for receipt of service of process in any such suit, action or proceeding.

Governing Law

Each of the Notes, the Guarantee and the Indenture provides that such instrument will be governed by, and construed in accordance with, the laws of the State of New York without giving effect to applicable principles of conflicts of law to the extent that the application of the law of another jurisdiction would be required thereby.

Definitions

Set forth below are defined terms used in the covenants and other provisions of the Indenture. Reference is made to the Indenture for other capitalized terms used in this "Description of the Notes and the Guarantee" for which no definition is provided.

"Adjusted Treasury Rate" means, with respect to any redemption date, the rate per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

"Applicable Premium" means with respect to any Note at any redemption date, the greater of:

(1) zero, and

(2) the excess of (A) the present value at such redemption date of (x) the redemption price of such Note at February 10, 2026, plus (y) all required remaining scheduled interest payments due on such Note through February 10, 2026 (but excluding accrued and unpaid interest to the redemption date), computed using a discount rate equal to the Adjusted Treasury Rate plus 15 basis points, over (B) the principal amount of such Note on such redemption date.

"Business Day" means any day which is not a Saturday, Sunday, legal holiday or other day on which banking institutions in New York City, New York, Singapore or Mumbai (or in any other place in which payments on the Notes are to be made) are authorized or required by law or governmental regulation to close.

"Capital Stock" means, with respect to any Person, any and all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) in equity of such Person, whether outstanding on the Original Issue Date or issued thereafter, including, without limitation, all Common Stock and Preferred Stock, but excluding debt securities convertible into such equity.

"Change of Control" means the Promoters and the Promoter Group collectively cease to Control the Guarantor. where "Control" means the right to appoint and/or remove the majority of the members of the Guarantor's board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of Common Stock, contract or otherwise, and "controlled" shall be construed accordingly.

"Change of Control Triggering Event" means the occurrence of a Change of Control and a Rating Decline.

"Clearstream" means Clearstream Banking S.A., Luxembourg.

"Common Stock" means, with respect to any Person, any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or non-voting) of such Person's common stock or ordinary shares, whether or not outstanding at the date of the Indenture, and includes, without limitation, all series and classes of such common stock or ordinary shares.

"Comparable Treasury Issue" means the U.S. Treasury security having a maturity comparable to the remaining term of the Notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the Notes from the redemption date to February 10, 2026.

"Comparable Treasury Price" means, with respect to any redemption date:

(1) the average of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) on the third Business Day preceding such redemption date, as set forth in the daily statistical release (of any successor release) published by the Federal Reserve Bank of New York and designated "Composite 3:30 p.m. Quotations for U.S. Government Securities;" or

(2) if such release (or any successor release) is not published or does not contain such prices on such Business Day, (a) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (b) if fewer than three such Reference Treasury Dealer Quotations are available, the average of all such quotations.

"Default" means any event that is, or after notice or passage of time or both would be, an Event of Default.

"DTC" means The Depository Trust Company and its successors.

"Euroclear" means Euroclear Bank SA/NV, as operator of the Euroclear System.

"FEMA Guarantee Regulations" means the Foreign Exchange Management Act, 1999 of India, as amended from time to time and the Foreign Exchange Management (Guarantees) Regulations, 2000 of India, as amended or updated from time to time and, in each case, the rules and regulations made thereunder, as amended from time to time and the circulars issued thereunder.

"FEMA ODI Regulations" means the Foreign Exchange Management (Transfer or Issue of any Foreign Security) Regulations, 2004 of India, as amended or updated from time to time and, in each case, the rules and regulations made thereunder, as amended from time to time and the circulars issued thereunder.

"Fitch" means Fitch Ratings Ltd. or any successor to the rating agency business thereof.

"Guarantee Period" means the earlier of (i) date on which all amounts due and payable under the terms of the Notes have been unconditionally and irrevocably paid in full; and (ii) the date falling 45 calendar days after the Maturity Date.

"Note Documents" means the Indenture, the Notes and the Guarantee.

"ODI Master Directions" means the Reserve Bank of India's Master Directions on Direct Investment by Residents in Joint Ventures/Wholly Owned Subsidiary Abroad issued on January 1, 2016, as amended or updated or replaced from time to time and the applicable provisions of the Master Direction on Reporting under the Foreign Exchange Management Act, 1999 dated January 1, 2016, as amended, updated or replaced from time to time.

"Offer to Purchase" means an offer to purchase Notes by the Issuer or the Guarantor from the Holders commenced by the Issuer or the Guarantor sending a notice to the Trustee, the Principal Paying and Transfer Agent and each Holder in accordance with the Indenture stating:

(1) the provision in the Indenture pursuant to which the offer is being made and that all Notes validly tendered will be accepted for payment on a *pro rata* basis;

(2) the purchase price and the date of purchase (which shall be a Business Day no earlier than 30 days nor later than 60 days from the date such notice is mailed) (the "Offer to Purchase Payment Date");

(3) that any Note not tendered will continue to accrue interest pursuant to its terms;

(4) that, unless the Issuer or the Guarantor defaults in the payment of the purchase price, any Note accepted for payment pursuant to the Offer to Purchase shall cease to accrue interest on and after the Offer to Purchase Payment Date;

(5) that Holders electing to have a Note purchased pursuant to the Offer to Purchase will be required to surrender the Note, together with the form entitled "Option of the Holder to Elect Purchase" on the reverse side of the Note completed, to the Principal Paying and Transfer Agent at the address specified in the notice prior to the close of business on the Business Day immediately preceding the Offer to Purchase Payment Date;

(6) that Holders will be entitled to withdraw their election if the Principal Paying and Transfer Agent receives, not later than the close of business on the third Business Day immediately preceding the Offer to Purchase Payment Date, a facsimile transmission or letter setting forth the name of such Holder, the principal amount of Notes delivered for purchase and a statement that such Holder is withdrawing his election to have such Notes purchased; and

(7) that Holders whose Notes are being purchased only in part will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered; *provided* that each Note purchased and each new Note issued shall be in a principal amount of US$200,000 or integral multiples of US$1,000 in excess thereof.

At 11:00 a.m. one Business Day prior to the Offer to Purchase Payment Date, the Issuer shall deposit with the Principal Paying and Transfer Agent money sufficient to pay the purchase price of all Notes or portions thereof to be accepted by the Issuer for payment on the Offer to Purchase Date. On the Offer to Purchase Payment Date, the Issuer or the Guarantor shall (a) accept for payment on a pro rata basis Notes or portions thereof tendered pursuant to an Offer to Purchase; and (b) deliver, or cause to be delivered, to the Trustee all Notes or portions thereof so accepted together with an Officers' Certificate specifying the Notes or portions thereof accepted for payment by the Issuer or the Guarantor. The Principal Paying and Transfer Agent shall promptly deliver to the Holders of Notes so accepted payment in an amount equal to the purchase price, and, in the case of Certificated Notes, upon receipt of written order of the Issuer signed by two Officers the Trustee or an authenticating agent shall promptly authenticate and deliver to such Holders a new Note equal in principal amount to any unpurchased portion of the Certificated Note surrendered; *provided* that each Note purchased and each new Note issued shall be in a principal amount of US$200,000 or integral multiples of US$1,000 in excess thereof. The Issuer or the Guarantor will publicly announce the results of an Offer to Purchase as soon as practicable after the Offer to Purchase Payment Date. The Issuer or the Guarantor will comply with Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable, in the event that the Issuer or the Guarantor is required to repurchase Notes pursuant to an Offer to Purchase.

To the extent that the provisions of any securities laws or regulations of any jurisdiction conflict with the provisions of the Indenture governing any Offer to Purchase, the Issuer or the Guarantor will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Indenture by virtue of such compliance. The Issuer or the Guarantor will not be required to make an Offer to Purchase if a third party makes the Offer to Purchase in compliance with the requirements set forth in the Indenture applicable to an Offer to Purchase made by the Issuer or the Guarantor and purchases all Notes properly tendered and not withdrawn under the Offer to Purchase.

The offer is required to contain or incorporate by reference information concerning the business of the Guarantor and its Subsidiaries which the Issuer and the Guarantor in good faith believes will assist such Holders to make an informed decision with respect to the Offer to Purchase, including a brief description of the events requiring the Issuer or the Guarantor to make the Offer to Purchase, and any other information required by applicable law to be included therein. The offer is required to contain all instructions and materials necessary to enable such Holders to tender Notes pursuant to the Offer to Purchase.

"Officer" means, in the case of the Issuer, any director or other authorized representative of the Issuer, or in the case of the Guarantor, one of the executive officers of the Guarantor, as the case may be.

"Officers' Certificate" means a certificate signed by two Officers.

"Opinion of Counsel" means a written opinion from legal counsel who is acceptable to the Trustee in its sole discretion.

"Original Issue Date" means the date on which the Notes are originally issued under the Indenture.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Promoters" means each of the promoter of the Guarantor, named as a "promoter" under the Companies Act, 2013, as amended and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended and recognized and named as a "promoter" in the filing made with the Indian stock exchanges on January 14, 2021 for the quarter ended December 31, 2020.

"Promoter Group" means Mr Shiv Nadar, Ms Kiran Nadar and Ms Roshni Nadar Malhotra, HCL Corporation Private Limited, Vama Sundari Investments (Delhi) Private Limited, HCL Avitas Private Limited and HCL Holdings Private Limited, who have been recognized and named as a "promotor group" in the filing made with the Indian stock exchanges on January 14, 2021 for the quarter ended December 31, 2020 and as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

"Rating Agency" means S&P; provided that if S&P shall not make a rating of the Notes publicly available, any Nationally Recognized Statistical Rating Organization selected by the Issuer, which shall be substituted for S&P.

"Rating Category" means (i) with respect to S&P or Fitch, any of the following categories: "BB," "B," "CCC," "CC," "C" and "D" (or equivalent successor categories), (ii) with respect to Moody's, any of the following categories: "Ba," "B," "Caa," "Ca," "C" and "D" (or equivalent successor categories); and (iii) the equivalent of any such category of S&P, Moody's or Fitch used by another Rating Agency. In determining whether the rating of the Notes has decreased by one or more gradations, gradations within Rating Categories ("+" and "-" for S&P and Fitch; "1," "2" and "3" for Moody's; or the equivalent gradations for another Rating Agency) will be taken into account (e.g., with respect to S&P, a decline in a rating from "BB+" to "BB," as well as from "BB-" to "B+," will constitute a decrease of one gradation).

"Rating Date" means in connection with actions contemplated under the definition of "Change of Control," that date which is sixty (60) days prior to the earlier of (1) the occurrence of any such actions as set forth therein and (2) a public notice of the occurrence of any such actions.

"Rating Decline" means in connection with actions contemplated under the definition of "Change of Control," the notification on, or within sixty (60) days after, the earlier of (i) the occurrence of any such actions set forth therein or (ii) a public notice of the occurrence of any such actions by any of the Rating Agencies that such proposed actions will result in any of the events listed below:

(1) if the Notes are rated by both of the Rating Agencies on the Rating Date as Investment Grade, the rating of the Notes by any of the Rating Agencies shall be below Investment Grade;

(2) if the Notes are rated by one, and only one, of the Rating Agencies on the Rating Date as Investment Grade, the rating of the Notes by such Rating Agency shall be below Investment Grade; or

(3) if the Notes are rated (i) by less than two Rating Agencies and the Notes are rated below Investment Grade by such Rating Agencies on the Rating Date or (ii) below Investment Grade by both of the Rating Agencies on the Rating Date, the rating of the Notes by any Rating Agency shall be decreased by one or more gradations (including gradations within Rating Categories as well as between Rating Categories).

"Reference Treasury Dealer" means each of any three investment banks of recognized standing that is a primary U.S. Government securities dealer in New York City, New York, selected by the Guarantor in good faith.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any redemption date, the average as determined by an investment banking firm of recognized international standing of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to such investment banking firm by such Reference Treasury Dealer at 5:00 p.m. (New York City time) on the third Business Day preceding such redemption date.

"Relevant Indebtedness" means (i) any present or future indebtedness (whether being premium, principal interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities having a maturity of more than one year from its date of issue which (A) are payable, or confer a right to receive payment, in or by reference to any currency other than Rupees and (B) are or are intended to be or capable of being quoted, listed, ordinarily dealt in or traded on any stock exchange, over-the-counter or other securities market, and (ii) any guarantee or indemnity of any such indebtedness. For the avoidance of doubt, syndicated, club or bilateral debt facilities, transactional facilities including merchant acquiring and letter of credit facilities, in each case not in the form of or evidenced by notes, bonds, debentures, debenture stock or other securities which (in any case) are or are capable of being quoted, listed or ordinarily dealt in or traded on any recognised listing authority, stock exchange, securities quotation system or over-the-counter or other securities market, and any hedging entered into in connection with such facilities or debt is not "Relevant Indebtedness" for the purposes of this definition.

"Security Interest" means any pledge, mortgage, lien, charge, hypothecation, encumbrance or other security interest.

"Securities Act" means the U.S. Securities Act of 1933, as amended.

"Stated Maturity" means, (1) with respect to any indebtedness, the date specified in such debt security as the fixed date on which the final installment of principal of such indebtedness is due and payable as set forth in the documentation governing such Indebtedness and (2) with respect to any scheduled installment of principal of or interest on any indebtedness, the date specified as the fixed date on which such installment is due and payable as set forth in the documentation governing such indebtedness.

"Structured Finance Transaction" means any securitization or other structured finance transaction involving the transfer of any assets, revenues, undertakings or risks associated with any such assets, revenues, or undertakings to, and the issue of securities or other indebtedness by, a special purpose company (a "Special Purpose Company") and provided that (i) none of the obligations of the Special Purpose Company in respect of the transaction is subject to any recourse whatsoever in respect thereof to the Issuer or the Guarantor, (ii) recourse to the Special Purpose Company for amounts owing under the transactions is limited to the income or cashflow of the assets or collateral comprising the Security Interest for such transaction, (iii) the assets held by the activities of the Special Purpose Company are restricted to those which are permitted for the purposes of the transaction, (iv) the parties to the transaction (including for the avoidance of doubt the holders of the securities or other indebtedness issued by the Special Purpose Company in relation to the transaction) are not entitled, by virtue of any right or claim arising out of or in connection with such indebtedness, to commence proceedings for the winding-up or dissolution of the Special Purpose Company until at least one year and one day after the full repayment of such indebtedness, (v) the transaction is conducted on arm's length terms and (vi) the benefit of the transaction accrues, directly or indirectly, to the Issuer or the Guarantor.

"Subsidiary" means, with respect to any specified Person:

(1) any corporation, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency and after giving effect to any voting agreement or stockholders' agreement that effectively transfers voting power) to vote in the election of directors, managers or trustees of the corporation, association or other business entity is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and

(2) any entity which is required to be consolidated with that Person's financial statements under relevant generally accepted accounting principles in effect from time to time.

"S&P" means Standard & Poor's Ratings Services and its affiliates.

"Voting Stock" means, with respect to any Person, Capital Stock of any class or kind ordinarily having the power to vote for the election of directors, managers or other voting members of the governing body of such Person.

TRANSFER RESTRICTIONS

As the following restrictions will apply to the Notes and the Guarantee, investors should consult legal counsel prior to making any offer, resale, pledge or transfer of the Notes or the Guarantee.

The Notes and the Guarantee have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Notes and the Guarantee are being offered and sold only:

- within the United States to "qualified institutional buyers" in compliance with Rule 144A; and
- outside the United States in offshore transactions, in reliance upon Regulation S.

Rule 144A Notes

Each purchaser of the Notes and the Guarantee within the United States pursuant to Rule 144A, by accepting delivery of this Offering Memorandum, will be deemed to have represented, agreed and acknowledged that:

1. It is (a) a qualified institutional buyer within the meaning of Rule 144A (a "**QIB**"), (b) acquiring such Notes and the Guarantee for its own account or for the account of a QIB and (c) aware, and each beneficial owner of such Notes and the Guarantee has been advised, that the sale of such Notes and the Guarantee to it is being made in reliance on Rule 144A.

2. It understands and acknowledges that the Notes and the Guarantee are being offered only in a transaction not involving any public offering in the United States, within the meaning of the Securities Act, and that such Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any jurisdiction and (a) may not be offered, sold, pledged or otherwise transferred except (i) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of a QIB, (ii) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S or (iii) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available), in each case in accordance with any applicable securities laws of any State of the United States; (b) the purchaser will, and each subsequent purchaser is required to, notify any subsequent purchaser of such Notes from it of the resale restrictions referred to in (a) above; and (c) no representation can be made as to the availability of the exemption provided by Rule 144 under the Securities Act for resale of the Notes.

3. If it is a person other than a person outside the United States, it agrees that if it should resell or otherwise transfer the Notes or the Guarantee, it will do so only:

    - to the Issuer or any of their respective affiliates;
    - inside the United States to a QIB in compliance with Rule 144A;
    - outside the United States in compliance with Rule 903 or Rule 904 of Regulation S under the Securities Act;
    - to the exemption from registration provided by Rule 144 under the Securities Act (if available); or
    - pursuant to an effective registration statement under the Securities Act.

4. It agrees that the Notes will not be offered or sold to any person who is from a Restricted Jurisdiction or is a Restricted Overseas Person.

5. It understands that such Notes, unless otherwise agreed between the Issuer and the Trustee in accordance with applicable law, will bear a legend to the following effect:

   "THIS NOTE AND THE GUARANTEE IN RESPECT HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT ("RULE 144A") TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY SUBSEQUENT PURCHASER OF THESE NOTES FROM IT OF THE RESALE RESTRICTIONS REFERRED TO ABOVE. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR RESALES OF THIS NOTE."

6. The Issuer, the Trustee, the Agents, the Initial Purchasers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and, if any such acknowledgments, representations or agreements deemed to have been made by virtue of its purchase of the Notes are no longer accurate, it agrees to promptly notify us. If it is acquiring any Notes for the account of one or more QIBs, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account.

7. It understands that the Notes offered in reliance on Rule 144A will be represented by the Rule 144A Global Certificate. Before any interest in any Rule 144A Global Certificate may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the corresponding Regulation S Global Certificate, it will be required to provide the relevant Registrar with a written certification (in the form provided in the terms and conditions of the Notes) as to compliance with applicable securities laws.

Prospective purchasers are hereby notified that sellers of the Notes and the Guarantee may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

Regulation S Notes

Each purchaser of the Notes and the Guarantee outside the United States pursuant to Regulation S and each subsequent purchaser of such Notes and the Guarantee in resales prior to the expiration of the distribution compliance period, by accepting delivery of this Offering Memorandum and the Notes and the Guarantee, will be deemed to have represented, agreed and acknowledged that:

1. It is, or at the time such Notes and the Guarantee are purchased will be, the beneficial owner of such Notes and the Guarantee and (a) it is located outside the United States (within the meaning of Regulation S) and (b) it is not an affiliate of the Issuer or the Guarantor or a person acting on behalf of such an affiliate.

2. It understands that such Notes and the Guarantee have not been and will not be registered under the Securities Act and that, prior to the expiration of the distribution compliance period, it will not offer, sell, pledge or otherwise transfer such Notes and the Guarantee except (a) in accordance with Rule 144A under the Securities Act to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or the account of a QIB or (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, in each case in accordance with any applicable securities laws of any State of the United States.

3. The Issuer, the Trustee, the Agents, the Initial Purchasers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and, if any such acknowledgments, representations or agreements deemed to have been made by virtue of its purchase of the Notes are no longer accurate, it agrees to promptly notify us.

4. It understands that the Notes offered in reliance on Regulation S will be represented by a Regulation S Global Note. Prior to the expiration of the distribution compliance period, before any interest in the Regulation S Global Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Restricted Global Note, it will be required to provide the Transfer Agent with a written certification (in the form provided in the Agency Agreement) as to compliance with applicable securities laws.

TAXATION

The information provided below does not purport to be a comprehensive description of all tax considerations that may be relevant to a decision to purchase Notes. In particular, the information does not consider any specific facts or circumstances that may apply to a particular purchaser. Neither these statements nor any other statements in this Offering Memorandum are to be regarded as advice on the tax position of any holder of Notes or of any person acquiring, selling or otherwise dealing in securities or on any tax implications arising from the acquisition, sale of or other dealings in Notes. The statements do not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in Notes) may be subject to special rules.

Prospective purchasers of Notes are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposition of Notes, including the effect of any applicable U.S. federal, state or local taxes as well as the tax laws of India or any political sub division thereof. In addition, in view of the number of different jurisdictions where local laws may apply, this Offering Memorandum does not discuss the local tax consequences to a potential holder arising from the acquisition, holding or disposition of the Notes. Prospective investors must, therefore, inform themselves as to any tax laws and regulations in force relating to the purchase, holding or disposition of the Notes in their country of residence and in the countries of which they are citizens or in which they purchase, hold or dispose of Notes.

Indian Taxation

The following summary describes certain Indian tax consequences applicable to the purchase, ownership and disposition of the Notes by persons who are not residents in India for tax purposes and who do not hold Notes in connection with an Indian trade or business or permanent establishment.

The summary is based on existing Indian taxation law and practice in force at the date of this Offering Memorandum and is subject to change, possibly with prospective effect. It is not intended to constitute legal or tax advice and is not intended to represent a complete analysis of all the Indian tax consequences under Indian law relating to the acquisition, ownership or disposal of the Notes. It does not cover all tax matters that may be of importance to a particular purchaser. Prospective investors should consult their own tax advisors about the tax consequences of purchasing, holding and disposing of an investment in the Notes. This summary is based on Indian tax law and practice as at the date of this Offering Memorandum.

The Income Tax Act, 1961 (the "**ITA**") is the law relating to taxation of income in India. This summary is based on the provisions of the ITA in effect as of the date of this Offering Memorandum.

Based on advice from our Indian tax advisors, we and the Issuer believe that holders of the Notes (other than holders who are tax residents of India or holders who receive payments in India, of interest, principal or any payment pursuant to the Guarantee) should not be subject to income or withholding tax in India in connection with payments of principal or interest made by the Issuer on the Notes or in respect of any gains on disposition of Notes, under Indian tax laws in effect as of the date of this Offering Memorandum. However, in case where the payments of principal or interest are made by the Guarantor pursuant to invocation of the Guarantee such payments may be subject to withholding tax in India.

In any event, absent a clear provision or a ruling from the Indian tax authorities, the Issuer and the Guarantor cannot assure holders of Notes that the payments will not be subject to withholding tax in India. The withholding would be required under U.S. laws on payment of interest by the Issuer to a person resident in India. The domestic U.S. tax rate of 30.0 per cent. can be reduced to 15.0 per cent. under U.S. India tax treat. The interest received would be taxable in the hand of the noteholder at applicable tax rate along with surcharge and cess.

It may be noted that if Indian tax were to apply, it would be subject to any benefits available to holders of the Notes who are not tax residents of India under the provisions of any Double Taxation Avoidance Agreement ("**DTAA**") entered into by the Indian Government with the country of tax residence of such non-resident holder. Further, India has ratified the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting ("**MLI**"). India has also deposited the ratification instruments in relation to the MLI and other requirements with the depository (being, the OECD Director General) on June 25, 2019 and, therefore, the ratified MLI will come into force on India on October 1, 2019. The Government has issued a notification dated August 9, 2019, publishing the ratified provisions of the MLI applicable for India, list of covered DTAAs and India's position on various articles. Post signing of MLI, the provisions of covered DTAAs have to be read alongside the provisions of MLI, as applicable. The provisions of the respective DTAA read with MLI will have the effect for some of the DTAAs signed by India from April 1, 2020.

This discussion is a general summary and is not intended to constitute a complete analysis of all the Indian tax consequences that may be relevant to a holder of the Notes. It does not cover all tax matters that may be of importance to a particular purchaser. Each prospective investor is strongly urged to consult its tax advisor about the tax consequences to it of an investment in the Notes.

Certain U.S. Federal Income Tax Consequences

The following discussion is a summary of certain U.S. federal income tax consequences relating to the ownership and disposition of Notes, applicable to investors that are U.S. Holders or non-U.S. Holders (as defined below) and who acquire the Notes pursuant to this offering at their "issue price" (that is, the first price at which a substantial amount of the Notes is sold to the public for cash, excluding sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers), and hold the Notes as capital assets. This discussion does not address all of the U.S. federal income tax consequences that may be relevant to any particular holder in light of such holder's particular circumstances or to holders subject to special rules under the U.S. federal income tax laws, including, but not limited to, holders subject to the U.S. federal alternative minimum tax, the Medicare contribution tax on net investment income, U.S. expatriates, dealers in securities, traders in securities who elect to apply a mark-to-market method of accounting, financial institutions, banks, insurance companies, regulated investment companies, real estate investment trusts, U.S. Holders of the Notes whose "functional currency" is not the U.S. dollar, tax-exempt entities, persons subject to special tax accounting rules as a result of any item of gross income with respect to the Notes being taken into account in an "applicable financial statement" (as defined in section 451 of the Code) and persons holding the Notes as part of a straddle, hedge, conversion transaction or other integrated transaction. This discussion does not address any tax consequences under other U.S. federal tax laws or any state, local, non-U.S. or other tax laws. Further, this discussion does not address the tax treatment of a partnership (including any entity treated as a partnership for U.S. federal income tax purposes) that holds any Notes, or its partners. The tax consequences to a partnership that invests in any Notes, and to its partners, generally will depend on the status of the partner and the activities of the partnership. Partnerships considering an investment in the Notes and partners of such a partnership should consult their own tax advisors regarding the U.S. federal income tax consequences of the purchase, ownership and disposition of the Notes.

The U.S. federal income tax consequences set forth below are based upon the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), Treasury regulations promulgated thereunder, court decisions, revenue rulings and administrative pronouncements of the Internal Revenue Service (the "**IRS**"), all of which are subject to change or changes in interpretation. No rulings from the IRS have been or will be sought regarding the characterization of the Notes or any matter discussed herein. No assurance can be given that the IRS would not assert, or that a court would not sustain, a position contrary to any of the statements made and conclusions reached with respect to the U.S. federal income tax consequences of acquiring, owning and disposing of the Notes. Prospective investors should particularly note that any such change or changes in interpretation could have retroactive effect so as to result in U.S. federal income tax consequences different from those discussed below.

For purposes of this discussion, you are a "**U.S. Holder**" if you are, for U.S. federal income tax purposes, a beneficial owner of Notes that is (i) a citizen or resident of the United States, (ii) a corporation (including any entity treated as a corporation), created or organized in or under the laws of the United States, any state thereof or the District of Columbia; (iii) an estate the income of which is subject to U.S. federal income tax regardless of its source or (iv) a trust if (a) a U.S. court is able to exercise supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (b) the trust has a valid election in effect to be treated as a U.S. person for U.S. federal income tax purposes. A "**non-U.S. Holder**" is a beneficial owner of a Note (other than a partnership for U.S. federal income tax purposes) that is not a U.S. Person within the meaning of Section 7701(a)(3).

Although not free from doubt, solely for purposes of U.S. federal withholding tax compliance, we intend to take the position, and the following discussion assumes, that interest on the Notes is considered U.S. sources income.

PROSPECTIVE INVESTORS OF NOTES SHOULD CONSULT THEIR TAX ADVISORS AS TO THE U.S. FEDERAL, STATE AND LOCAL AND NON-U.S. TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF NOTES, AS WELL AS ANY CONSEQUENCES ARISING UNDER THE LAWS OF ANY OTHER TAXING JURISDICTION TO WHICH THEY MAY BE SUBJECT.

Tax Consequences to U.S. Holders of the Notes

Payments of Interest. The Notes are not expected to be issued with original issue discount, or "OID", for U.S. federal income tax purposes in excess of a de minimis amount. Accordingly, the stated interest a U.S. Holder receives on the Notes (including any additional amounts paid with respect thereto) will be taxable as ordinary income at the time the interest is received or accrued in accordance with the method of accounting that is used for U.S. federal income tax purposes by such U.S. Holder.

Sale, Exchange, Redemption or Other Taxable Disposition of Notes. When a U.S. Holder sells, exchanges or otherwise disposes of the Notes in a taxable transaction, including through a redemption, such U.S. Holder generally will recognize capital gain or loss equal to the difference between the amount realized on the transaction (other than amounts received that are attributable to accrued and unpaid interest, which amounts will be taxable as ordinary income to the extent not previously included in income) and adjusted tax basis in the Notes. Adjusted tax basis in a Note generally will equal the acquisition cost of the Note, reduced (but not below zero) by any prior principal payments on such Note. Gain or loss generally will be capital gain or loss if the interest in the Note was held as a capital asset. Certain non-corporate U.S. Holders, including individuals, who hold capital assets for more than one year may be eligible for reduced rates of taxation in respect of long-term capital gains. The deductibility of capital losses is subject to limitations.

Notes Subject to Contingency. If any payment on a debt instrument is contingent, the debt instrument could be subject to special rules that apply to "contingent payment debt instruments." Applicable Treasury Regulations provide, however, that for purposes of determining whether a debt instrument is a contingent payment debt instrument, remote or incidental contingencies are ignored. The Issuer expects that the likelihood of optional redemption leading to the payment of an Applicable Premium on the Notes is remote. Consequently, the Issuer has determined, and this discussion assumes, that the Notes will not be treated as contingent payment debt instruments. If the IRS challenges this determination, the tax consequences to you may differ from those described in this discussion. You are encouraged to consult your tax advisors regarding the possible application of the rules that apply to contingent payment debt instruments.

Tax Consequences to Non-U.S. Holders of the Notes

Payments of Interest. With respect to non-U.S. Holders that are not engaged in a trade or business within the United States for U.S. federal income tax purposes (a "**U.S. Trade or Business**"), subject to the discussions below under the headings "Information Reporting and Backup Withholding" and "Foreign Account Tax Compliance Act," U.S. federal withholding tax will not apply to any payment of interest on

the Notes provided that: (i) the non-U.S. Holder does not actually, or constructively, own 10 per cent. or more of the total combined voting power of all classes of stock of the Issuer entitled to vote within the meaning of section 871(h)(3) of the Code and applicable U.S. Treasury Regulations; (ii) the non-U.S. Holder is not a controlled foreign corporation (within the meaning of section 957(a) of the Code) that is "related" to the Purchaser through stock or interest ownership; (iii) the non-U.S. Holder is not a bank whose receipt of interest on the Notes is described in section 881(c)(3)(A) of the Code; and (iv) either (a) the non-U.S. Holder certifies on a fully completed and executed IRS Form W-8BEN, Form W-8BEN-E or successor form that it is not a U.S. Person (as defined in the Code) before the time of a payment on the Notes or (b) the non-U.S. Holder holds the Notes through certain foreign intermediaries and in either case the certification requirements of applicable U.S. Treasury Regulations are satisfied. Special certification rules apply to certain non-U.S. Holders that are entities (including entities treated for U.S. federal income tax purposes as pass-through entities) rather than individuals.

If a non-U.S. Holder is engaged in a U.S. Trade or Business and interest on the Notes is effectively connected with the conduct of that trade or business, the non-U.S. Holder, although exempt from the withholding tax discussed above, may be subject to U.S. federal income tax on such interest, less any deductions allowed against such income, at rates applicable to U.S. Holders. In addition, if a non-U.S. Holder is a foreign corporation, it may be subject to a branch profits tax (currently at a 30 per cent. rate, or lower applicable income tax treaty rate), on its net effectively connected earnings and profits for the taxable year, subject to certain adjustments.

Sale, Exchange, Redemption or Other Taxable Disposition of Notes. Subject to the discussions below under the headings "Information Reporting and Backup Withholding" and "Foreign Account Tax Compliance Act," any gain that a non-U.S. Holder realizes on the sale, exchange, redemption or other taxable disposition of a Note generally will not be subject to U.S. federal income or withholding tax if (i) such gain is not effectively connected with a U.S. Trade or Business of such non-U.S. Holder, (ii) in the case of gain representing accrued interest, the conditions for exemption from withholding described above are satisfied, and (iii) in the case of an individual, such non-U.S. Holder is not present in the United States for 183 days or more in the taxable year of the sale, exchange, redemption or other taxable disposition and certain other conditions are satisfied.

Information Reporting and Backup Withholding

Where required, the Issuer will report to the holders of Notes and the IRS the amount of any interest paid on the Notes in each calendar year and the amounts of tax withheld, if any, with respect to the payments.

A U.S. Holder may be subject to backup withholding tax (at a current rate of 24 per cent.) with respect to interest payments and gross proceeds from the sale, exchange, retirement or other disposition of Notes unless (1) the U.S. Holder is a corporation or comes within certain other exempt categories or (2) prior to payment, the U.S. Holder provides an accurate taxpayer identification number and certifies as required on a duly completed and executed IRS Form W-9 (or an applicable substitute Form W-9), and, in either case, the U.S. Holder otherwise complies with the requirements of the backup withholding rules.

Non-U.S. Holders who have provided the form and certifications mentioned under the heading "*Tax Consequences to Non-U.S. Holders of the Notes – Payments of Interest*," above or who have otherwise established an exemption will generally not be subject to backup withholding tax if neither the Issuer nor its agent has actual knowledge or reason to know that any information in that form or those certifications is unreliable or that the conditions of the exemption are in fact not satisfied. Amounts paid to non-U.S. Holders will, however, be subject to information reporting by the Issuer or its agents.

Payments of the proceeds from the sale of a Note held by a non-U.S. Holder who is not engaged in a U.S. Trade or Business to or through a foreign office of a broker will not be subject to information reporting or backup withholding. However, information reporting, but not backup withholding, may apply to those payments if the broker is one of the following: (i) a U.S. Person; (ii) a controlled foreign corporation for U.S. tax purposes; (iii) a foreign person 50 per cent. or more of whose gross income from all sources for the three-year period ending with the close of its taxable year preceding the payment was effectively connected with a U.S. Trade or Business; or (iv) a foreign partnership with specified connections to the United States.

Payment of the proceeds from a sale of a Note held by a non-U.S. Holder who is not engaged in a U.S. Trade or Business to or through the U.S. office of a broker is subject to information reporting and backup withholding unless the holder in question certifies as to its taxpayer identification number or otherwise establishes an exemption from information reporting and backup withholding.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be refunded or credited against the holder's U.S. federal income tax liability, provided that the required information is furnished to the IRS.

Foreign Account Tax Compliance Act

Sections 1471 through 1474 of the Code (commonly referred to as the Foreign Account Tax Compliance Act or "**FATCA**") impose a 30 per cent. withholding tax on certain types of payments made to foreign financial institutions, unless the foreign financial institution enters into an agreement with the U.S. Treasury to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned entities, annually report certain information about such accounts, and withhold 30 per cent. on certain payments to account holders whose actions prevent it from complying with these and other reporting requirements, or unless the foreign financial institution otherwise is exempt from those requirements. In addition, FATCA imposes a 30 per cent. withholding tax on the same types of payments to a non-financial foreign entity unless the entity certifies that it does not have any substantial U.S. owners or the entity furnishes identifying information regarding each substantial U.S. owner. Under current guidance, failure to comply with the additional certification, information reporting and other specified requirements imposed under FATCA could result in the 30 per cent. withholding tax being imposed on payments of interest on the Notes. In general, withholding under FATCA currently applies to payments of U.S. source interest (including OID) and, under current guidance, will apply to certain "passthru" payments no earlier than the date that is two years after publication of final U.S. Treasury Regulations defining the term "foreign passthru payments." Prospective investors should consult their own tax advisors regarding FATCA and its effect on them.

Changes in U.S. Tax Laws

Future legislation, regulations, rulings or other authority could affect the U.S. federal income tax treatment of the Issuer and holders of Notes. The Issuer cannot predict whether and to what extent any such legislative or administrative changes could change the tax consequences to the Issuer and to the holders of Notes. Prospective investors should consult their tax advisors regarding possible legislative and administrative changes and their effect on the tax treatment of the Issuer and their investment in the Notes.

THE ABOVE DISCUSSION IS NOT LEGAL ADVICE RELATING TO THE ACQUISITION, OWNERSHIP OR DISPOSITION OF THE NOTES. INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISOR CONCERNING THE TAX CONSEQUENCES OF THEIR PARTICULAR SITUATION.

CLEARANCE AND SETTLEMENT OF THE NOTES

Global Notes

The Notes will be issued in the form of two or more registered Notes in global form, without interest coupons (the "**Global Notes**"), as follows:

- Notes sold to qualified institutional buyers under Rule 144A will be represented by one or more Rule 144A Global Notes; and

- Notes sold outside the United States in offshore transactions in reliance on Regulation S will be represented by one or more Regulation S Global Notes.

Upon issuance, each of the Global Notes will be deposited and registered in the name of Cede & Co., as nominee of DTC.

Ownership of the beneficial interests in each Global Note will be limited to persons who have accounts with DTC, or DTC participants, or persons who hold interests through DTC participants, including Euroclear and Clearstream.

We expect that under procedures established by DTC:

- upon deposit of each Global Note under DTC's custodian, DTC will credit portions of the principal amount of the Global Note to the accounts of the DTC participants designated by the Initial Purchasers; and

- ownership of beneficial interests in each Global Note will be shown on, and transfer of ownership of those interests will be effected only through, records maintained by DTC (with respect to interests of DTC participants) and the records of DTC participants (with respect to other owners of beneficial interests in the Global Note).

Beneficial interests in the Global Note may not be exchanged for Notes in physical, certificated form except in the limited circumstances described under "*Clearance and Settlement of the Notes – Certificated Notes*".

Each Global Notes and beneficial interests in each Global Note will be subject to restrictions on transfer as described under "*Transfer Restrictions*".

Transfers Within and Between Global Notes

Beneficial interests in a Regulation S Global Note may be transferred to a person who takes delivery in the form of a beneficial interest in the Rule 144A Global Note only if the transfer is made pursuant to Rule 144A and the transferor first delivers to the trustee a certificate (in the form provided in the Indenture) to effect that such transfer is being made to a person who the transferor reasonably believes is a "qualified institution buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A and in accordance with all applicable securities laws of the states of the United States and other jurisdictions.

Beneficial interests in a Rule 144A Global Note may be transferred to a person who takes delivery in the form of a beneficial interest in a Regulation S Global Note only upon receipt by the trustee of a written certification (in the form provided in the Indenture) from the transferor to the effect that such transfer is being made in accordance with Regulation S under the Securities Act.

Transfers of beneficial interests within a Global Note may be made without delivery of any written certification or other documentation from the transferor or the transferee. Transfers of beneficial interests in a Regulation S Global Note for beneficial interests in the Rule 144A Global Note or *vice versa* will be effected by DTC by means of an instruction originated by DTC participants through the DTC Deposit/Withdraw at Custodian system. Accordingly, in connection with any transfer, appropriate adjustments will be made to reflect a decrease in the principal amount of the Regulation S Global Note and a corresponding increase in the principal amount of the Rule 144A Global Note or *vice versa*, as applicable. Any beneficial interest in one of the Global Notes that is transferred to a person who takes delivery in the form of an interest in another Global Note will, upon transfer, cease to be an interest in such Global Note and will become an interest in the other Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in such other Global Note for so long as it remains such an interest. Such transfer shall be made on a delivery free of payment basis and the buyer and seller will need to arrange for payment outside the clearing system.

Book-Entry Procedures for the Global Notes

All interests in the Global Notes will be subject to the operations and procedures of DTC, Euroclear and Clearstream. We provide the following summaries of those operations and procedures solely for the convenience of investors. The operations and procedures of each settlement system are controlled by that settlement system and may be changed at any time. Neither we, the trustee, nor the Initial Purchasers (or any of our respective agents) are responsible for those operations or procedures.

DTC has advised that it is:

- a limited purpose trust company organized under the New York State Banking Law;
- a “banking organization” within the meaning of the New York State Banking Law;
- a member of the U.S. Federal Reserve System;
- a “clearing corporation” within the meaning of the New York Uniform Commercial Code; and
- a “clearing agency” registered under Section 17A of the Exchange Act.

DTC was created to hold securities for its participants and to facilitate the clearance and settlement of securities transactions between its participants through electronic book-entry changes to the accounts of its participants. DTC’s participants include securities brokers and dealers, including the Initial Purchasers; banks and trust companies; clearing corporations; and certain other organizations. Indirect access to DTC’s system is also available to others such as banks, brokers, dealers and trust companies; these indirect participants clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly. Investors who are not DTC participants may beneficially own securities held by or on behalf of DTC only through DTC participants or indirect participants in DTC (including Euroclear or Clearstream).

So long as DTC or its nominees is the registered owner of a Global Note, DTC or its nominees will be considered the sole owner or holder of the Notes represented by that Global Note for all purposes under the Indenture. Except as provided below, owners of beneficial interests in a Global Note:

- will not be entitled to have Notes represented by the Global Note registered in their names;
- will not receive or be entitled to receive physical, certificated Notes; and
- will not be considered the registered owners or holders of the Notes under the Indenture or any purpose, including with respect to the giving of any direction, instruction or approval to the trustee under the Indenture.

As a result, each investor who owns a beneficial interest in a Global Note must rely on the procedures of DTC to exercise any rights of a holder of Notes under the Indenture (and, if the investor is not a participant or an indirect participant in the DTC, on the procedures of the DTC participant through which the investor owns its interest).

Payments of principal, premium, if any, and interest with respect to the Notes represented by a Global Note will be made by the trustee to DTC's nominee as the registered holder of the Global Note. Neither we nor the trustee (or any of our respective agents) will have any responsibility or liability for the payment of amounts to owners of beneficial interests in a Global Note, for any aspect of the records relating to or payments made on account of those interests by DTC, or for maintaining, supervising or reviewing any records of DTC relating to those interests.

Payments by participants and indirect participants in DTC to the owners of beneficial interests in a Global Note will be governed by standing instructions and customary practices and will be the responsibility of those participants or indirect participants and not of DTC, its nominee or us.

Transfers between participants in DTC will be effected under DTC's procedures and will be settled in sameday funds. Transfers between participants in Euroclear and Clearstream will be effected in the ordinary way under the rules and operating procedures of those systems.

Cross-market transfers within a Rule 144A Global Note or a Regulation S Global Note between DTC participants, on the one hand, and Euroclear or Clearstream participants, on the other hand, will be effected within DTC through the DTC participants that are acting as depositaries for Euroclear and Clearstream. To deliver or receive an interest in a Global Note held in a Euroclear or Clearstream account, an investor must send transfer instructions to Euroclear or Clearstream, as the case may be, under the rules and procedures of that system and within the established deadlines of that system. If the transaction meets its settlement requirements, Euroclear or Clearstream, as the case may be, will send instructions to its DTC depositary to take action to effect final settlement by delivering or receiving interests in the relevant Global Notes in DTC, and making or receiving payment under normal procedures for sameday funds settlement applicable to DTC. Euroclear or Clearstream participants may not deliver instructions directly to the DTC depositaries that are acting for Euroclear or Clearstream.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant that purchases an interest in a Global Note from a DTC participant will be credited on the business day for Euroclear or Clearstream immediately following the DTC settlement date. Cash received in Euroclear or Clearstream from the sale of an interest in a Global Note to a DTC participant will be received with value on the DTC settlement date but will be available in the relevant Euroclear or Clearstream cash account as of the business day for Euroclear or Clearstream following the DTC settlement date.

DTC, Euroclear and Clearstream have agreed to the above procedures to facilitate transfers of interests in the Global Notes among participants in those settlement systems. However, the settlement systems are not obligated to perform these procedures and may discontinue or change these procedures at any time. Neither we nor the trustee (or any of our respective agents) will have any responsibility for the performance by DTC, Euroclear or Clearstream or their participants or indirect participants of their obligations under the rules and procedures governing their operations.

Certificated Notes

Beneficial interests in the Global Notes may not be exchanged for Notes in physical, certificated form unless:

- DTC notifies us at any time that it is unwilling or unable to continue as depositary for the Global Notes and a successor depositary is not appointed within 90 days;

- DTC ceases to be registered as a clearing agency under the Exchange Act, and a successor depositary is not appointed within 90 days;

- we, at our option, notify the trustee that we elect to cause the issuance of certificated Notes; or

- certain other events provided in the indenture should occur, including the occurrence and continuance of an event of default with respect to the Notes.

In all cases, certificated Notes delivered in exchange for any Global Note will be registered in the names, and issued in any approved denominations, requested by DTC and will bear a legend indicating the transfer restrictions of that particular Global Note.

For information concerning paying agents and transfer agents for any Notes issued in certificated form, see "*Description of the Notes and the Guarantee – Concerning the Trustee and the Agents*".

Euroclear and Clearstream

The Regulation S Notes will be evidenced at issue by Regulation S Global Notes deposited with, and registered in the name of a nominee for, a common depository for Euroclear and Clearstream. Beneficial interests in a Regulation S Global Note may be held only through Euroclear or Clearstream any time.

The Regulation S Global Notes representing the Regulation S Notes will have an ISIN and a Common Code and will be registered in the name of a nominee for, and deposited with a common depositary on behalf of, Euroclear and Clearstream.

Euroclear and Clearstream each hold securities for their customers and facilitate the clearance and settlement of securities transactions through electronic book-entry transfer between their respective accountholders. Indirect access to Euroclear and Clearstream is available to other institutions that clear through or maintain a custodial relationship with an accountholder of either system. Euroclear and Clearstream provide various services including safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream also deal with domestic securities markets in several countries through established depositary and custodial relationships. Euroclear and Clearstream have established an electronic bridge between their two systems across which their respective customers may settle trades with each other. Their customers are worldwide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Investors may hold their interests in such Regulation S Global Notes directly through Euroclear or Clearstream if they are accountholders or indirectly through organizations that are accountholders therein.

Trading between Euroclear/Clearstream Seller and DTC

When book-entry interests in the Notes are to be transferred from the account of a Euroclear or Clearstream accountholder of a DTC participant wishing to purchase a beneficial interest in a Rule 144A Global Note, the Euroclear or Clearstream participant must sent to Euroclear or Clearstream, delivery free of payment instructions one business day prior to the settlement date. Euroclear or Clearstream, as the case may be, will in turn transmit appropriate instructions to the common depository for Euroclear and Clearstream and the Registrar or Transfer Agent (as the case may be) to arrange delivery to the DTC participant on the settlement date. Separate payment arrangements are required to be made between the DTC participant and the relevant Euroclear or Clearstream accountholder, as the case may be. On the settlement date, the common depository for Euroclear and Clearstream will (a) transmit appropriate instructions to the custodian of the relevant Rule 144A Global Note who will in turn delivery such book-entry interests in the Notes free of payment to the relevant account of the DTC participant and (b) instruct the Registrar or the Transfer Agent (as the case may be) to (i) decrease the amount of Notes registered in the name of the nominee of the common depository for Euroclear and Clearstream and evidenced by the relevant Regulation S Global Note, and (ii) increase the amount of Notes registered in the name of Cede & Co, and evidenced by the relevant Rule 144A Global Note.

PLAN OF DISTRIBUTION

Subject to the terms and conditions of a purchase agreement dated March 3, 2021 by and among the Issuer, the Guarantor and the Initial Purchasers (the "**Purchase Agreement**"), we have agreed to sell to the Initial Purchasers, and each of the Initial Purchasers has agreed, severally and not jointly, to purchase from the Issuer, the principal amount of Notes set forth opposite its name below.

Initial Purchaser	Principal amount of the Notes
	(U.S.$)
Citigroup Global Markets Inc.	125,000,000
Credit Suisse (Hong Kong) Limited	125,000,000
Merrill Lynch (Singapore) Pte. Ltd.	125,000,000
Standard Chartered Bank	125,000,000
Total	500,000,000

Subject to the terms and conditions set forth in the Purchase Agreement, the Initial Purchasers have agreed, severally and not jointly, to purchase all of the Notes sold under the Purchase Agreement if any of these Notes are purchased. The Purchase Agreement provides that the obligations of the Initial Purchasers to purchase the Notes are subject to the delivery of certain legal opinions and to certain other conditions.

The Initial Purchasers initially propose to offer the Notes for resale at the issue price that appears on the cover of this Offering Memorandum. After the initial offering, the Initial Purchasers may change the offering price and any other selling terms without notice. The Initial Purchasers may offer and sell the Notes through their respective affiliates. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Initial Purchaser or any affiliate of the Initial Purchaser is a licensed broker or dealer in that jurisdiction, the offering should be deemed to be made by that Initial Purchaser or its affiliate on behalf of the Issuer in such jurisdiction.

The Purchase Agreement provides that the Issuer and the Guarantor, on the one hand, and the Initial Purchasers, on the other hand, will indemnify each other against certain liabilities, including liabilities under the Securities Act, and will contribute to payments the other may be required to make in respect of those liabilities. We will also pay the Initial Purchasers a commission and pay certain expenses relating to the Offering as has been agreed to with the Initial Purchasers.

No Sale of Similar Securities

The Issuer and the Guarantor have agreed that they will not, for a period of 30 days after the date of this Offering Memorandum, without first obtaining the prior written consent of the Initial Purchasers, directly or indirectly, offer, sell, contract to sell, pledge or otherwise dispose of, any debt securities or securities exchangeable for or convertible into debt securities, except for the Notes sold to the Initial Purchasers pursuant to the Purchase Agreement. The Initial Purchasers in their sole discretion may release any of the securities subject to these lock-up agreements at any time without notice.

Notes Are Not Being Registered

The Notes have not been registered under the Securities Act and, unless so registered, may not be offered or sold within the United States except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act.

The Initial Purchasers propose to resell the Notes at the offering price set forth on the cover page of this Offering Memorandum within the United States, to QIBs (as defined in Rule 144A) in reliance on Rule 144A and outside the United States in offshore transactions in reliance on Regulation S. See "*Transfer Restrictions*".

New Issue of Securities

The Notes will constitute a new class of securities with no established trading market. Approval in-principle has been received for the listing and quotation of the Notes on the Official List of the SGX-ST. However, we cannot guarantee that the Notes will remain listed on the Official List of the SGX-ST or the prices at which the Notes will sell in the market after the offering will not be lower than the initial offering price or that an active trading market for the Notes will develop and continue after the offering. We do not intend to apply for listing of the Notes on any national securities exchange in the United States or for quotation of the Notes on any automated dealer quotation system in the United States. The Initial Purchasers have advised us that they presently intend to make a market in the Notes after completion of this offering or permitted by applicable law. However, they are under no obligation to do so and may discontinue any market-making activities at any time without any notice. Accordingly, no assurance can be given as to the liquidity of, or trading markets for, the Notes.

If an active trading market for the Notes does not develop or is not maintained, the market price and liquidity of the Notes may be adversely affected. If the Notes are traded, they may trade at a discount from their initial offering price, depending on prevailing interest rates, the market for similar securities, our operating performance and financial condition, general economic conditions and other factors.

Delivery, Payment and Settlement

The Issuer expects to deliver the Notes against payment for the Notes on or about the date specified on the cover page of this Offering Memorandum, which will be the fifth business day following the date of the pricing of the Notes. Under Rule 15(c)6-1 under the U.S. Securities Exchange Act of 1934, trades in the secondary market generally are required to settle in two business days unless the parties to such trades expressly agree otherwise. Accordingly, purchasers who wish to trade Notes on the date of pricing or either of the next two succeeding business days will be required, by virtue of the fact that the Notes initially will settle in T+5, to specify alternative settlement arrangements to prevent a failed settlement. Purchasers of the Notes who wish to trade the Notes on the date of pricing or either of the next two succeeding business days should consult their own advisor.

Price Stabilization and Short Positions

In connection with this Offering, the Initial Purchasers, or any person acting for it, may purchase and sell Notes in the open market. These transactions may, to the extent permitted by law, include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale of a greater amount of Notes than the Initial Purchasers are required to purchase in this offering. Stabilizing transactions consist of certain bids or purchases for the purpose of preventing or retarding a decline in the market price of the Notes while this offering is in progress. These activities, to the extent permitted by law, may stabilize, maintain or otherwise affect the market price of the Notes. These activities may be conducted in the over-the-counter market or otherwise. As a result, the price of the Notes may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued at any time and must in any event be brought to an end after a limited time. These activities will be undertaken solely for the account of the stabilizing manager and not for and on behalf of the Issuer.

Other Relationships

The Initial Purchasers and certain of their affiliates may have performed and expect to perform various investment banking, transaction banking, investment, commercial lending, consulting and financial advisory services to us and/or our affiliates in the ordinary course of business for which they may receive mutually agreed fees and expenses and may, from time to time, directly or indirectly through affiliates, enter into hedging or other derivative transactions, including swap agreements, future or forward contracts, option agreements or other similar arrangements with us and our affiliates, which may include transactions relating to our obligations under the Notes, all to the extent permitted under the Indenture. Our obligations under these transactions may be secured by cash or other collateral to the extent permitted under the Indenture.

In addition, in the ordinary course of their business activities, the Initial Purchasers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates. The Initial Purchasers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire long and/or short positions in such securities and instruments. The Initial Purchasers or their respective affiliates may also purchase Notes for its or their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to Notes and/or other securities of us or our subsidiaries or associates at the same time as the offer and sale of Notes or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of Securities to which this Offering Memorandum relates (notwithstanding that such selected counterparties may also be purchasers of Notes).

Selling Restrictions

General

No action has been or will be taken in any jurisdiction by us or the Initial Purchasers that would permit a public offering of the Notes or the possession, circulation or distribution of this Offering Memorandum (in preliminary or final form) or any other material relating to us or the Notes in any jurisdiction where action for the purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Offering Memorandum nor any other offering material or advertisements in connection with the Notes may be distributed or published, in or from any country or jurisdiction, except in compliance with any applicable rules and regulations of any such country or jurisdiction. Persons into whose hands this Offering Memorandum comes are required by us and the Initial Purchasers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver the Notes or have in their possession, distribute or publish this Offering Memorandum (in preliminary or final form) or any other offering material relating to the Notes, in all cases at their own expense. This Offering Memorandum does not constitute an offer to purchase or a solicitation of an offer to sell in any jurisdiction where such offer or solicitation would be unlawful. Persons into whose possession this Offering Memorandum comes are advised to inform themselves about and to observe any restrictions relating to the offering, the distribution of this Offering Memorandum and resales of the Notes. See "*Transfer Restrictions*".

United States

The Notes and the Guarantee have not been and will not be registered under the Securities Act or any state securities laws and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. For a description of other restrictions on the transfer of Notes, see "*Transfer Restrictions.*"

Accordingly, the Notes and the Guarantee are being offered and sold only to qualified institutional buyers in accordance with Rule 144A and outside the United States in offshore transactions in accordance with Regulation S. Resales of the Notes are restricted as described under "*Transfer Restrictions*."

Until 40 days after the commencement of this Offering, an offer or sale of Notes within the United States by a dealer (whether or not participating in this Offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or pursuant to another exemption from registration under the Securities Act.

As used herein, the term "**United States**" has the meaning given to it in Regulation S.

Prohibition of Sales to EEA Retail Investors

Each of the Initial Purchasers has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the EEA. For the purposes of this provision, the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client, as defined in point (11) of MiFID II; or

(ii) a customer within the meaning of the IDD, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Prohibition of Sales to UK Retail Investors

Each of the Initial Purchasers has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the UK. For the purposes of this provision, the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or

(ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

Hong Kong

Each of the Initial Purchasers has represented and agreed that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (A) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO; or (B) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of C(WUMP)O; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

India

The Notes will not be offered or sold, directly or indirectly, and have not been offered or sold, in India and has not made or will not make any invitation in India to, or for the account or benefit of, any resident in India by means of any document. This Offering Memorandum is not an offer document (as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended). This Offering Memorandum has not and will not be registered, produced or made available whether as an offer document whether as a prospectus in respect of a public offer or an

information memorandum or private placement offer cum application letter or other offering material in respect of a private placement under the Companies Act, 2013 or any other applicable Indian laws, with the Registrar of Companies, SEBI, RBI, the stock exchanges or any other statutory or regulatory body of like nature in India. The Notes will not be offered or sold, and have not been offered or sold, in India by means of this Offering Memorandum or any material relating thereto, will be circulated or distributed and have not been circulated or distributed, directly or indirectly, to any person or the public or any member of the public in India, under circumstances which would constitute an advertisement, invitation, offer, sale or solicitation of an offer to subscribe for or purchase any securities to the public within the meaning of the Companies Act, 2013 and other applicable Indian law for the time being in force, save and except for any information from any part of this Offering Memorandum which is (i) mandatorily required to be disclosed or filed in India under any applicable Indian laws, including but not limited to, the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, and under the listing agreement with any Indian stock exchange pursuant to the SEBI LODR Regulations; or (ii) pursuant to the sanction of any regulatory and adjudicatory body in India.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**Financial Instruments and Exchange Act**"). Accordingly, each Initial Purchaser has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

People's Republic of China

This Offering Memorandum does not constitute a public offer of the Notes, whether by sale or by subscription, in the People's Republic of China. The Notes will not be offered or sold within the People's Republic of China by means of this Offering Memorandum or any other document.

Singapore

Each of the Initial Purchasers has acknowledged that this Offering Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore (the "**MAS**"). Accordingly, each Initial Purchaser has represented and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA: or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Any reference to the SFA is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Singapore SFA Product Classification: *In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).*

United Kingdom

Each of the Initial Purchasers has represented and agreed that:

(a) (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell the Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

RATINGS

The Notes are rated "A-" by S&P. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organization. A suspension, reduction or withdrawal of the rating assigned to the Notes may adversely affect the market price of the Notes. We cannot assure you that the ratings will remain in effect for any given period or that the ratings will not be revised by such rating agencies in the future if in their judgement circumstances so warrant. Each such rating should be evaluated independently of any other rating of the Notes, our other securities, or us.

LEGAL MATTERS

Certain legal matters in connection with the issue and sale of the Notes will be passed upon for us by DLA Piper Singapore Pte. Ltd. with respect to matters of New York and U.S. federal securities law and Trilegal with respect to matters of Indian law.

Certain legal matters in connection with the issue and sale of the Notes will be passed upon for the Initial Purchasers by Linklaters Singapore Pte. Ltd. with respect to matters of New York and U.S. federal securities law and Talwar Thakore & Associates with respect to matters of Indian law.

INDEPENDENT AUDITORS

The annual audited consolidated financial statements of our Group as at and for the years ended March 31, 2018 and 2019 included in this Offering Memorandum have been audited by S.R. Batliboi & Co. LLP, Chartered Accountants, as set forth in their audit reports included therein.

The annual audited consolidated financial statements of HCL Technologies Limited and its subsidiaries as at and for the year ended March 31, 2020 included in this Offering Memorandum have been audited by B S R & Co. LLP, Chartered Accountants, as set forth in their audit reports included therein. The audit report contains an other matter paragraph that states that the corresponding figures for the year ended March 31, 2019 are based on the previously issued consolidated financial statements which were audited by the predecessor auditor.

With respect to the unaudited condensed consolidated interim financial statements as of and for the three and nine months ended December 31, 2020 included in this Offering Memorandum, B S R & Co. LLP reported that they have applied limited procedures in accordance with professional standards for a review of such interim financial statements. However, their separate report included in this Offering Memorandum states that they did not audit, and they do not express an opinion on such interim financial statements. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied.

The current statutory auditor of the Guarantor is B S R & Co. LLP.

GENERAL INFORMATION

1. We expect that the Notes will be delivered in book-entry form through DTC, and its direct and indirect participants, including Euroclear and Clearstream, on or about March 10, 2021. The CUSIP, ISIN and Common Code numbers for the Notes are as follows:

	Rule 144A Global Note	Regulation S Global Note
CUSIP	40480H AA5	U2479Q AA5
ISIN	US40480HAA59	USU2479QAA59
Common Code	229525883	230584931

   Only Notes evidenced by a Global Note will be accepted for clearance through DTC.

2. The issue of the Notes has been authorized by the Issuer's board of directors on February 25, 2021. The issuance of the Guarantee has been authorized by the Guarantor's board of directors on February 25, 2021.

3. Citicorp International Limited has given its consent to act as the Trustee and for its name to be included in all subsequent periodical communication to be sent to the Noteholders.

4. Save as disclosed in this Offering Memorandum, there are no legal or arbitration proceedings against the Issuer, the Guarantor, any of their respective subsidiaries, nor are we aware of any such pending or threatened proceedings, which are material in the context of the issue of the Notes or the Guarantee.

5. Save as disclosed in this Offering Memorandum, there has been no material change in the Issuer's or the Guarantor's financial or trading position since December 31, 2020 and, since such date, save as disclosed in this Offering Memorandum, there has been no material adverse change in the Issuer's or the Guarantor's financial position or prospects.

6. For so long as any of the Notes remains outstanding, copies of the Indenture, Agency Agreement and the Guarantor's Memorandum and Articles of Association, may be inspected (upon reasonable notice being given to the Trustee) during normal business hours at the corporate trust office of the Trustee at 20/F, Citi Tower, One Bay East, 83 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong.

7. Approval in-principle has been received from the SGX-ST for listing of and quotation for the Notes on the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any statements made, opinions expressed or reports contained in this Offering Memorandum. Approval in-principle from the SGX-ST and admission of the Notes to the Official List of the SGX-ST are not to be taken as an indication of the merits of the offering, Issuer, our Group, and their respective subsidiaries, their respective associated companies (if any), their respective joint venture companies (if any) or the Notes. The Notes will be traded on the SGX-ST in a minimum board lot size of S$200,000 (or its equivalent in other currencies) for so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require.

   For so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, we will appoint and maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption, in the event that a global note representing such Notes is exchanged for Notes in definitive form. In addition, in the event that a Global Note is exchanged for Notes in definitive form, an announcement of such exchange shall be made by or on behalf of our Group through the SGX-ST and such announcement will include all material information with respect to the delivery of the Notes in definitive form, including details of the paying agent in Singapore.

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Consolidated Statement of Cash Flows. F-218

Notes to the Consolidated Financial Statements F-220

B S R & Co. LLP
Chartered Accountants

Building No. 10, 12th Floor, Tower-C
DLF Cyber City, Phase-II
Gurugram- 122 002, India

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Independent Auditors' Report on Review of Condensed Consolidated Interim Financial Statements

The Board of Directors

HCL Technologies Limited

Introduction

We have reviewed the accompanying Condensed Consolidated Interim Financial Statements of HCL Technologies Limited ('the Parent') and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), which comprise of the Condensed Consolidated Interim Balance Sheet as at 31 December 2020, the Condensed Consolidated Interim Statement of Profit and Loss including the Statement of Comprehensive Income for the three and nine months period then ended, the Condensed Consolidated Interim Statement of Cash Flows and Condensed Consolidated Interim Statement of Changes in Equity for the nine months period then ended, including a summary of significant accounting policies and other explanatory notes (together referred to as 'interim financial information'). Management is responsible for the preparation and presentation of this interim financial information in accordance with the Indian Accounting Standard 34 "Interim Financial Reporting" (Ind AS 34) prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review of the interim financial information in accordance with the Standard on Review Engagements (SRE) 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP
(a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

Principal Office:

14th Floor, Central B Wing and North C Wing, Nesco IT Park
4, Nesco Center, Western Express Highway, Goregaon
(East), Mumbai - 400063

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with the Ind AS 34 and other accounting principles generally accepted in India.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.101248W/W-100022

Rakesh Dewan Digitally signed by Rakesh Dewan Date: 2021.01.15 10:24:05 +05'30'

Rakesh Dewan
Partner
Membership Number: 092212
ICAI UDIN: 21092212AAAAAF7872

Place: Gurugram, India
Date: 15 January 2021

HCL Technologies Limited

Condensed Consolidated Interim Financial Statements

For the three and nine months period ended 31 December 2020

HCL Technologies Limited

Condensed Consolidated Interim Balance Sheet as at 31 December 2020 (unaudited)

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

	Note No.	As at 31 Dec 2020	As at 31 March 2020
I. ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3.1	5,741	5,494
(b) Capital work in progress		312	400
(c) Right-of-use assets		2,465	2,648
(d) Goodwill	3.2	16,329	16,154
(e) Other intangible assets	3.3	12,352	13,194
(f) Financial assets			
(i) Investments	3.4	80	77
(ii) Others	3.6	2,253	2,373
(g) Deferred tax assets (net)	3.25	2,338	2,317
(h) Other non-current assets	3.7	1,998	1,829
(2) Current assets			
(a) Inventories	3.8	153	91
(b) Financial assets			
(i) Investments	3.4	7,221	6,989
(ii) Trade receivables	3.9	12,875	14,131
(iii) Cash and cash equivalents	3.10(a)	5,860	4,848
(iv) Other bank balances	3.10(b)	1,206	128
(v) Loans	3.5	4,862	3,422
(vi) Others	3.6	5,334	6,464
(c) Current tax assets (net)		90	157
(d) Other current assets	3.11	2,522	2,190
TOTAL ASSETS		**83,991**	**82,906**
II. EQUITY			
(a) Equity share capital	3.12	543	543
(b) Other equity		59,354	50,724
Equity attributable to shareholders of the Company		59,897	51,267
Non controlling interest		162	154
TOTAL EQUITY		60,059	51,421
III. LIABILITIES			
(1) Non - current liabilities			
(a) Financial liabilities			
(i) Borrowings	3.13	2,704	2,848
(ii) Lease liabilities		1,929	2,179
(iii) Others	3.14	1,010	1,194
(b) Provisions	3.15	1,194	1,048
(c) Deferred tax liabilities (net)	3.25	97	87
(d) Other non-current liabilities	3.16	478	399
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	3.13	5	1,845
(ii) Trade payables	3.17	1,631	1,166
(iii) Lease liabilities		787	715
(iv) Others	3.14	8,100	14,340
(b) Other current liabilities	3.18	4,191	3,889
(c) Provisions	3.15	889	706
(d) Current tax liabilities (net)		917	1,069
TOTAL EQUITY AND LIABILITIES		**83,991**	**82,906**
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the condensed consolidated interim 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 — Digitally signed by Rakesh Dewan Date: 2021.01.15 10:25:30 +05'30'

Rakesh Dewan
Partner
Membership Number: 092212

Gurugram, India
15 January 2021

For and on behalf of the Board of Directors
of HCL Technologies Limited

SHIV NADAR — Digitally signed by SHIV NADAR Date: 2021.01.15 08:34:10 +05'30'

Shiv Nadar
Chief Strategy Officer

SUBRAMANIAN MADHAVAN — Digitally signed

S. Madhavan
Director

C. Vijayakumar — Digitally signed by C. Vijayakumar Date: 2021.01.14 22:02:01 -05'00'

C. Vijayakumar
President and
Chief Executive Officer

PRATEEK AGGARWAL — Digitally signed by PRATEEK AGGARWAL Date: 2021.01.15 08:35:36 +05'30'

Prateek Aggarwal
Chief Financial Officer

PRAHLAD RAI BANSAL — Digitally signed by PRAHLAD RAI BANSAL Date: 2021.01.15 08:38:44 +05'30'

Prahlad Rai Bansal
Deputy Chief Financial Officer

MANISH ANAND — Digitally signed by MANISH ANAND Date: 2021.01.15 08:37:04 +05'30'

Manish Anand
Company Secretary

Noida (UP), India
15 January 2021

HCL Technologies Limited

Condensed Consolidated Interim Statement of Profit and Loss for the three and nine months period ended 31 December 2020 (unaudited)

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

		Note No.	Three months ended 31 Dec 2020	Three months ended 31 Dec 2019	Nine months ended 31 Dec 2020	Nine months ended 31 Dec 2019
I	**Revenue**					
	Revenue from operations	3.19	19,302	18,135	55,738	52,089
	Other income	3.20	189	157	683	442
	Total income		**19,491**	**18,292**	**56,421**	**52,531**
II	**Expenses**					
	Purchase of stock-in-trade		556	498	1,364	1,133
	Changes in inventories of stock-in-trade	3.21	(47)	(70)	(62)	(102)
	Employee benefits expense	3.22	9,447	8,800	27,982	25,845
	Finance costs	3.23	147	158	352	381
	Depreciation and amortization expense		1,187	942	3,344	2,424
	Outsourcing costs		2,616	2,675	7,514	8,203
	Other expenses	3.24	1,106	1,603	3,441	4,552
	Total expenses		**15,012**	**14,606**	**43,935**	**42,436**
III	**Profit before tax**		**4,479**	**3,686**	**12,486**	**10,095**
IV	**Tax expense**	3.25				
	Current tax		930	746	2,550	2,082
	Deferred tax charge (credit)		(428)	(4)	(122)	128
	Total tax expense		502	742	2,428	2,210
V	**Profit for the period**		**3,977**	**2,944**	**10,058**	**7,885**
VI	**Other comprehensive income**	3.26				
(A)	(i) Items that will not be reclassified to statement of profit and loss		-	-	(6)	(4)
	(ii) Income tax on items that will not be reclassified to statement of profit and loss		5	-	6	2
(B)	(i) Items that will be reclassified subsequently to statement of profit and loss		427	342	870	362
	(ii) Income tax on items that will be reclassified subsequently to statement of profit and loss		(32)	12	(110)	23
VII	**Total other comprehensive income**		**400**	**354**	**760**	**383**
VIII	**Total comprehensive income for the period**		**4,377**	**3,298**	**10,818**	**8,268**
	Profit for the period attributable to					
	Shareholders of the Company		3,969	2,944	10,043	7,885
	Non-controlling interest		8	-	15	-
			3,977	2,944	10,058	7,885
	Total comprehensive income for the period attributable to					
	Shareholders of the Company		4,370	3,298	10,806	8,265
	Non-controlling interest		7	-	12	3
			4,377	3,298	10,818	8,268
	Earnings per equity share of ₹ 2 each	3.27				
	Basic (in ₹)		14.63	10.85	37.01	29.06
	Diluted (in ₹)		14.63	10.85	37.01	29.06
	Summary of significant accounting policies	1				

The accompanying notes are an integral part of the condensed consolidated interim 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 Digitally signed by Rakesh Dewan Date: 2021.01.15 10:26:35 +05'30'

Rakesh Dewan
Partner
Membership Number: 092212

Gurugram, India
15 January 2021

For and on behalf of the Board of Directors
of HCL Technologies Limited

SHIV NADAR Digitally signed by SHIV NADAR Date: 2021.01.15 08:34:24 +05'30'

Shiv Nadar
Chief Strategy Officer

SUBRAMANIAN MADHAVAN Digitally signed by SUBRAMANIAN MADHAVAN

S. Madhavan
Director

C. Vijayakumar Digitally signed by C. Vijayakumar Date: 2021.01.14 22:02:22 -05'00'

C. Vijayakumar
President and Chief Executive Officer

PRATEEK AGGARWAL Digitally signed by PRATEEK AGGARWAL Date: 2021.01.15 08:35:52 +05'30'

Prateek Aggarwal
Chief Financial Officer

PRAHLAD RAI BANSAL Digitally signed by PRAHLAD RAI BANSAL Date: 2021.01.15 08:38:59 +05'30'

Prahlad Rai Bansal
Deputy Chief Financial Officer

MANISH ANAND Digitally signed by MANISH ANAND Date: 2021.01.15 08:37:30 +05'30'

Manish Anand
Company Secretary

Noida (UP), India
15 January 2021

HCL Technologies Limited

Condensed Consolidated Interim Statement of Changes in Equity for the nine months period ended 31 December 2020 (unaudited)

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

	Equity share capital		Other equity										
			Reserves and Surplus					Other comprehensive income			Attributable to Shareholders of the Company	Non Controlling Interests	Total Equity
	Number of shares	Share capital	Retained earnings	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			
Balance as at 1 April 2019	1,356,278,868	271.3	38,964	2	14	5	440	1,497	171	2	41,095	103	41,198
Profit for the period	-	-	7,885	-	-	-	-	-	-	-	7,885	-	7,885
Other comprehensive income (refer note 3.26)	-	-	(2)	-	-	-	-	497	(120)	5	380	3	383
Total comprehensive income for the period	-	-	7,883	-	-	-	-	497	(120)	5	8,265	3	8,268
Dividend of `3 per share (including tax on dividend of `157 crores)	-	-	(971)	-	-	-	-	-	-	-	(971)	-	(971)
Issue of bonus shares	1,356,832,548	271.4	(271)	-	-	-	-	-	-	-	(271)	-	(271)
Transfer to special economic zone re-investment reserve	-	-	(520)	-	-	-	520	-	-	-	-	-	-
Transfer from special economic zone re-investment reserve	-	-	440	-	-	-	(440)	-	-	-	-	-	-
Shares issued for exercised options	553,680	0.1	-	5	-	(5)	-	-	-	-	-	-	-
Excess tax benefit from share-based payments	-	-	(4)	-	-	-	-	-	-	-	(4)	-	(4)
Balance as at 31 December 2019	2,713,665,096	543	45,521	7	14	-	520	1,994	51	7	48,114	106	48,220
Balance as at 1 April 2020	2,713,665,096	543	47,772	7	14	-	726	2,513	(307)	(1)	50,724	154	50,878
Profit for the period	-	-	10,043	-	-	-	-	-	-	-	10,043	15	10,058
Other comprehensive income (refer note 3.26)	-	-	-	-	-	-	-	387	342	34	763	(3)	760
Total comprehensive income for the period	-	-	10,043	-	-	-	-	387	342	34	10,806	12	10,818
Final dividend of `2 per share	-	-	(543)	-	-	-	-	-	-	-	(543)	-	(543)
Interim dividend of `6 per share	-	-	(1,628)	-	-	-	-	-	-	-	(1,628)	-	(1,628)
Transfer to special economic zone re-investment reserve	-	-	(1,137)	-	-	-	1,137	-	-	-	-	-	-
Transfer from special economic zone re-investment reserve	-	-	469	-	-	-	(469)	-	-	-	-	-	-
Purchase of non-controlling interest	-	-	(5)	-	-	-	-	-	-	-	(5)	(7)	(12)
Change in non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	3	3
Balance as at 31 December 2020	2,713,665,096	543	54,971	7	14	-	1,394	2,900	35	33	59,354	162	59,516

Refer note 1 for summary of significant accounting policies

The accompanying notes are an integral part of the condensed consolidated interim 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 — Digitally signed by Rakesh Dewan Date: 2021.01.15 10:27:01 +05'30'

Rakesh Dewan
Partner
Membership Number: 092212

Gurugram, India
15 January 2021

For and on behalf of the Board of Directors
of HCL Technologies Limited

SHIV NADAR — Digitally signed by SHIV NADAR Date: 2021.01.15 08:34:37 +05'30'

Shiv Nadar
Chief Strategy Officer

SUBRAMANIAN MADHAVAN — Digitally signed

S. Madhavan
Director

C. Vijayakumar — Digitally signed by C. Vijayakumar Date: 2021.01.14 22:02:32 -05'00'

C. Vijayakumar
President and Chief Executive Officer

PRATEEK AGGARWAL — Digitally signed by PRATEEK AGGARWAL Date: 2021.01.15 08:36:04 +05'30'

Prateek Aggarwal
Chief Financial Officer

PRAHLAD RAI BANSAL — Digitally signed by PRAHLAD RAI BANSAL Date: 2021.01.15 08:39:12 +05'30'

Prahlad Rai Bansal
Deputy Chief Financial Officer

MANISH ANAND — Digitally signed by MANISH ANAND Date: 2021.01.15 08:37:48 +05'30'

Manish Anand
Company Secretary

Noida (UP), India
15 January 2021

HCL Technologies Limited

Condensed Consolidated Interim Statement of Cash flows for the nine months period ended 31 December 2020 (unaudited)

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

	Nine months ended	
	31 Dec 2020	**31 Dec 2019**
A. Cash flows from operating activities		
Profit before tax	12,486	10,095
Adjustment for:		
Depreciation and amortization	3,344	2,424
Interest income	(473)	(325)
Provision for doubtful debts / bad debts written off, net	49	105
Income on investments carried at fair value through profit and loss	(78)	(56)
Profit on sale of investments carried at fair value through other comprehensive income	-	(16)
Interest expense	212	230
Loss (profit) on sale of property, plant and equipment (net)	(107)	1
Other non-cash charges (net)	56	95
	15,489	**12,553**
Net change in		
Trade receivables	1,500	(1,267)
Inventories	17	(76)
Other financial assets and other assets	1,137	(1,075)
Trade payables	440	82
Provisions, other financial liabilities and other liabilities	231	778
Cash generated from operations	**18,814**	**10,995**
Income taxes paid (net of refunds)	(2,619)	(1,924)
Net cash flow from operating activities (A)	**16,195**	**9,071**
B. Cash flows from investing activities		
Investments in bank deposits	(1,266)	(186)
Proceeds from bank deposits on maturity	188	1,994
Purchase of investments in securities	(14,487)	(27,748)
Proceeds from sale/maturity of investments in securities	14,384	24,753
Investment in equity instruments	-	(14)
Deposits placed with body corporates	(5,472)	(3,486)
Proceeds from maturity of deposits placed with body corporates	4,031	1,935
Payments for business acquisitions, net of cash acquired	(364)	(6,072)
Purchase of non-controlling interest	(12)	-
Investment in limited liability partnership	(2)	(2)
Distribution from limited liability partnership	-	1
Purchase of property, plant and equipment and intangibles	(1,420)	(1,360)
Proceeds from sale of property, plant and equipment	144	23
Interest received	582	214
Income taxes paid	(75)	(98)
Net cash flow used in investing activities (B)	**(3,769)**	**(10,046)**
C. Cash flows from financing activities		
Proceeds from long term borrowings	60	103
Repayment of long term borrowings	(248)	(200)
Proceeds from short term borrowings	738	917
Repayment of short term borrowings	(1,484)	(920)
Payments for deferred and contingent consideration on business acquisitions	(6,518)	(295)
Dividend paid	(2,170)	(814)
Corporate dividend tax	-	(157)
Interest paid	(77)	(194)
Payment of lease liabilities including interest	(725)	(179)
Net cash flow used in financing activities (C)	**(10,424)**	**(1,739)**
Net increase (decrease) in cash and cash equivalents (A+B+C)	2,002	(2,714)
Effect of exchange differences on cash and cash equivalents held in foreign currency	93	(8)
Cash and cash equivalents at the beginning of the period	3,760	5,901
Cash and cash equivalents at the end of the period as per note 3.10(a)	**5,855**	**3,179**

HCL Technologies Limited

Condensed Consolidated Interim Statement of Cash flows for the nine months period ended 31 December 2020 (unaudited)

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

Notes:

1. Reconciliation of liabilities arising from financing activities

	Long term borrowings (including current maturities)	Short term borrowings (excluding bank overdraft)	Deferred and contingent consideration
Balance as at 1 April 2019	**3,263**	**691**	**21**
Cashflows	(97)	(3)	(295)
Non cash changes			
Business combination	-	-	6,422
Exchange differences (net)	-	-	202
Effect of foreign currency translation	98	25	1
Recognized in profit and loss	-	-	82
Balance as at 31 December 2019	**3,264**	**713**	**6,433**
Balance as at 1 April 2020	**3,247**	**757**	**6,857**
Cashflows	(188)	(746)	(6,518)
Non cash changes			
Exchange differences (net)	-	-	(33)
Effect of foreign currency translation	(12)	(11)	6
Recognized in profit and loss	-	-	48
Balance as at 31 December 2020	**3,047**	**-**	**360**

2. The total amount of income taxes paid is ` 2,694 crores (previous period, ` 2,022 crores).

3. Cash and cash equivalents includes investor education and protection fund-unclaimed dividend of `6 crores (previous period, `5 crores).

The accompanying notes are an integral part of the condensed consolidated interim 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 — Digitally signed by Rakesh Dewan Date: 2021.01.15 10:36:02 +05'30'

Rakesh Dewan
Partner
Membership Number: 092212

Gurugram, India
15 January 2021

For and on behalf of the Board of Directors
of HCL Technologies Limited

SHIV NADAR — Digitally signed by SHIV NADAR Date: 2021.01.15 08:34:50 +05'30'

Shiv Nadar
Chief Strategy Officer

SUBRAMANIAN MADHAVAN — Digitally signed by SUBRAMANIAN MADHAVAN Date: 2021.01.15

S. Madhavan
Director

C. Vijayakumar — Digitally signed by C. Vijayakumar Date: 2021.01.14 22:02:44 -05'00'

C. Vijayakumar
President and Chief Executive Officer

PRATEEK AGGARWAL — Digitally signed by PRATEEK AGGARWAL Date: 2021.01.15 08:40:58 +05'30'

Prateek Aggarwal
Chief Financial Officer

PRAHLAD RAI BANSAL — Digitally signed by PRAHLAD RAI BANSAL Date: 2021.01.15 08:39:36 +05'30'

Prahlad Rai Bansal
Deputy Chief Financial Officer

MANISH ANAND — Digitally signed by MANISH ANAND Date: 2021.01.15 08:40:03 +05'30'

Manish Anand
Company Secretary

Noida (UP), India
15 January 2021

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 products & platforms services. The Company was incorporated under the provisions of the Companies Act applicable in India in November 1991, having its registered office at 806, Siddharth, 96, Nehru Place, New Delhi- 110019. The Group leverages its offshore infrastructure and professionals to deliver solutions across select verticals including financial services, manufacturing (automotive, aerospace, Hi-tech, semi-conductors), life sciences & healthcare, public services (oil and gas, energy and utility, travel, transport and logistics), retail and consumer products, telecom, media, publishing and entertainment.

The condensed consolidated interim financial statements for the period ended 31 December 2020 were approved and authorized for issue by the Board of Directors on 15 January 2021.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The condensed consolidated interim financial statements of the Group have been prepared in accordance with Indian Accounting Standards 34 "Interim Financial Reporting" (Ind AS 34) 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 condensed consolidated interim financial statements.

These condensed consolidated interim financial statements have been prepared under the historical cost convention on an accrual and going concern basis, except for the following assets and liabilities which have been measured at fair value:

a) Derivative financial instruments,
b) Certain financial assets and liabilities (refer accounting policy regarding financial instruments),

The accounting policies adopted in the preparation of these condensed consolidated interim 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.

(b) Basis of Consolidation

The condensed consolidated interim 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.

Control is achieved when the Group is exposed, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

a) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
b) Exposure, or rights, to variable returns from its involvement with the investee, and
c) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

a) The contractual arrangement with the other vote holders of the investee
b) Rights arising from other contractual arrangements
c) The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

The financial statements of the subsidiaries in the Group are added on a line-by-line basis and inter-company balances and transactions including unrealized gain/loss from such transactions, are eliminated upon consolidation. The condensed consolidated interim financial statements are prepared by applying uniform accounting policies in use by the Group.

(c) ***Use of estimates***

The preparation of condensed consolidated interim financial statements in conformity with Ind AS requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses and other comprehensive income (OCI) that are reported and disclosed in the condensed consolidated interim financial statements and accompanying notes. These estimates are based on the management's best knowledge of current events, historical experience, actions that the Group may undertake in the future and on various other assumptions that are believed to be reasonable under the circumstances. Significant estimates and assumptions are used for, but not limited to, accounting for costs expected to be incurred to complete performance under fixed price projects, allowance for uncollectible accounts receivables, accrual of warranty costs, income taxes, valuation of share-based compensation, future obligations under employee benefit plans, the useful lives of property, plant and equipment, intangible assets, impairment of goodwill, the measurement of lease liabilities and right of use assets, and other contingencies and commitments. Changes in estimates are reflected in the condensed consolidated interim financial statements in the year in which the changes are made. Actual results could differ from those estimates.

In view of pandemic relating to COVID-19, the group has considered and taken into account internal and external information and has performed sensitivity analysis based on current estimates in assessing the recoverability of receivables, unbilled receivables, goodwill, intangible assets, other financial assets, impact on revenues and costs, impact on leases and effectiveness of its hedging relationships. However, the actual impact of COVID-19 on the Group's financial statements may differ from that estimated and the Group will continue to closely monitor any material changes to future economic conditions.

(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 condensed consolidated interim 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 period. 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 are to be measured based on the following valuation techniques:

a) Market approach – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.

b) Income approach – Converting the future amounts based on market expectations to its present value using the discounting method.

c) Cost approach – Replacement cost method.

Certain assets are measured at fair value on a non-recurring basis. 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 our 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, ERP 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. Provisions for estimated losses, if any, on contracts-in-progress are recorded in the period in which such losses become probable based on the current contract estimates. Contract losses are determined to be the amount by which the estimated incremental cost to complete exceeds the estimated future revenues that will be generated by the contract and are included in cost of revenues and recorded in other accrued liabilities.

Revenue related to other fixed price contracts providing maintenance and support services, are recognized based on our right to invoice for services performed for contracts in which the invoicing is representative of the value being delivered. If our 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 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 one year of 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.

Multiple performance obligation

When a sales arrangement contains multiple performance, 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 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 control 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.

Revenue recognized but not billed to customers is classified either as contract assets or unbilled receivable in condensed consolidated interim 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. 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.

Interest income

Interest income for all financial instruments measured at amortized cost is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the EIR, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

(h) Income taxes

Income tax expense comprises current and deferred income tax.

Income tax expense is recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Provision for income tax includes the impact of provisions established for uncertain income tax positions.

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 are reversed after the tax holiday period. For this purpose, reversal of timing differences is determined using first-in-first-out method.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the year that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognized subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognized in the statement of profit and loss.

In some tax jurisdictions, tax deductions on share based payments to employees are different from the related cumulative remuneration expenses. If the amount of the tax deduction (or estimated future tax deduction) exceeds the amount of the related cumulative remuneration expense, the excess of the associated tax is recognized directly in retained earnings.

(i) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. The Group identifies and determines separate useful lives for each major component of the property, plant and equipment, if they have a useful life that is materially different from that of the asset as a whole.

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 or over the period of lease, whichever is lower
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 accumulated impairment losses.

Intangible assets are amortized over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

The intangible assets are amortized over the estimated useful life of the assets as mentioned below except certain Licensed IPRs which include the right to modify, enhance or exploit are amortized in proportion to the expected benefits over the useful life which could range up to 15 years:

Asset description	Asset life (in years)
Software	3
Licensed IPRs	5 to 15
Customer relationships	1 to 10
Customer contracts	1 to 3
Technology	5 to 15
Intellectual property rights including Brand	2 to 6
Non-compete agreements	3 to 5

(k) Research and development costs

Research costs are expensed as incurred. Development expenditure, on an individual project, is recognized as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

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. Borrowing costs also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(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.

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 condensed consolidated interim 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 condensed consolidated interim 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 receivable at an amount equal to the present value of lease receivable. 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 condensed consolidated interim 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.

(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 Group's cash generating units (CGU) expected to benefit from the synergies arising from the business combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU. Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU, pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill recognized in the statement of profit and loss is not reversed in the subsequent period.

Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the asset exceeds the estimated recoverable amount of the asset.

(p) Provisions 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.

(q) Retirement and other employee benefits

i. Provident fund: Employees of the Company and its subsidiaries in India receive benefits under the provident fund, a defined benefit plan. The employee and employer each make monthly contributions to the plan. A portion of the contribution is made to the provident fund trust managed by the Group or Government administered provident fund; while the balance contribution is made to the Government administered pension fund. For the contribution made by the Company and its subsidiaries in India to the provident fund trust managed by the Group, the Company has an obligation to fund any shortfall on the yield of the Trust's investments over the administered interest rates. The liability is actuarially determined (using the projected unit credit method) at the end of the year. The funds contributed to the Trust are invested in specific securities as mandated by law and generally consist of federal and state government bonds, debt instruments of government-owned corporations and, 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 retained earnings through other comprehensive income in the year in which they occur.

In respect to certain employees in India, the Company contributes towards gratuity liabilities to the Gratuity Fund Trust. Trustees of the Company administer contributions made to the Trust and contributions are invested in a scheme with Life Insurance Corporation of India as permitted by law.

iv. Compensated absences: The employees of the Group are entitled to compensated absences which are both accumulating and non-accumulating in nature. The employees can carry forward up to the specified portion of the unutilized accumulated compensated absences and utilize it in future periods or receive cash at retirement or termination of employment. The expected cost of accumulating compensated absences is determined by actuarial valuation (using the projected unit credit method) based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the balance sheet date. The expense on non-accumulating compensated absences is recognized in the statement of profit and loss in the year in which the absences occur. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

v. State Plan: The contribution to State Plans in India, a defined contribution plan namely Employee State Insurance Fund is charged to the statement of profit and loss as and when employees render related services.

vi. Contributions to other foreign defined contribution plans are recognized as expense when employees have rendered services entitling them to such benefits.

(r) Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. **Financial assets**

All financial assets are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value measured on initial recognition of financial asset. Purchase and sale of financial assets are accounted for at trade date.

Cash and 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 condensed consolidated interim 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:

i. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
ii. 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
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 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 and interest rate swaps are entered to mitigate interest rate fluctuation risk on indebtedness.

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)' and 'finance costs' as applicable.

The foreign exchange forward contracts, options and interest rate swaps in respect of forecast transactions which meet the hedging criteria are designated as cash flow hedges. Changes in the fair value of derivative (net of tax) that are designated as effective cash flow hedges are deferred and recorded in the hedging reserve account as a component of accumulated 'other comprehensive income (loss)' until the hedged transaction occurs and are then recognized in the statement of profit and loss. The ineffective portion of hedging derivatives is immediately recognized in the statement of profit and loss.

In respect of derivatives designated as hedges, the Group formally documents all relationships between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also formally assesses both at the inception of the hedge and on an ongoing basis, whether each derivative is highly effective in offsetting changes in fair values or cash flows of the hedged item. 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 condensed consolidated interim balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis to realize the assets and settle the liabilities simultaneously.

(s) Dividend

Final dividend proposed by the Board of Directors are recognized upon approval by the shareholders who have the right to decrease but not increase the amount of dividend recommended by the Board of Directors. Interim dividends are recognized on declaration by the Board of Directors.

(t) Earnings per share (EPS)

Basic EPS amounts are computed by dividing the net profit attributable to the equity holders of the parent company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are computed by dividing the net profit attributable to the equity holders of the parent company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares). Dilutive potential equity shares are deemed converted as at the beginning of the year, unless issued at a later date. Dilutive potential equity shares are determined independently for each year presented.

The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for bonus shares.

(u) Nature and purpose of reserves

Securities premium reserve
Securities premium reserve 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.

Capital redemption reserve
The Group recognizes cancellation of the Group's own equity instruments to capital redemption reserve.

Share based payment reserve
The share options based payment reserve is used to recognize the grant date fair value of options issued to employees under Employee stock option plan.

Special economic zone re-investment reserve
The Company has created Special economic zone 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 should be utilized by the Company for acquiring plant and machinery in terms of Section 10AA(2) of the Act.

Foreign currency translation reserve
Exchange differences arising on translation of the foreign operations are recognized in other comprehensive income as described in 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.

2. ACQUISITIONS

a) Acquisitions in the current period

Acquisition of Cisco SON Product

On 29 May 2020, the Group had signed a definitive agreement to acquire Cisco Self-Optimizing Network (SON) products and associated business from Cisco System, Inc., a California based company for a consideration of ` 369 crores.

The Cisco SON technology is a powerful platform that uses machine learning and a set of applications to automate the Radio Access Network (RAN). SON is a multi-vendor multi-technology (MVMT) solution that optimizes the Radio Access Networks (RAN) for 2G-5G.

Acquisition has been consummated effective 25 October 2020. The Group has paid ` 360 crores and ` 9 crores is payable as at 31 December 2020.

Total purchase consideration of ` 369 crores has been preliminary allocated based on management estimates to the acquired assets and liabilities as follows:

	Amount
Recoverable from Cisco (against contract liabilities)	73
Contract liabilities	(66)
Other recoverable from Cisco	25
Property plant and equipment	1
Intangible assets	
Technology	92
Customer relationships	89
Customer contracts	15
Non-compete agreements	7
Goodwill	133
Total purchase consideration	**369**

The resultant goodwill is considered tax deductible and has been allocated to the Products & Platforms segment. This goodwill is attributable mainly to Group's ability to enhance the sale of products to customers in existing business of the group and targeting new customers.

The table below shows the values and lives of intangible assets recognized on acquisition:

	Amount	Life (Years)	Basis of amortization
Technology	92	8	On straight line basis over the estimated life of the product
Customer relationships	89	8	In proportion of estimated revenue
Customer contracts	15	3	In proportion of estimated revenue
Non-compete agreements	7	4	On straight line basis
Total intangible assets	**203**		

The Group is in the process of making a final determination of the fair value of assets and liabilities primarily related to recoverable from seller and related contract liabilities. Finalization of the purchase price allocation may result in certain adjustments to the above allocations.

b) Acquisitions in the previous year

Acquisition of Select IBM Software products

On 7 December 2018, the Group had signed a definitive agreement to acquire business relating to select IBM software products for a consideration of ` 12,252 crores.

The Group has acquired these products for security, marketing, commerce, and digital solutions along with certain assumed liabilities and in scope employees. With this the Group gets 100% control on the assets being acquired and has also taken full ownership of the research and development, sales, marketing, delivery and support for these products. Through this acquisition, the Group intends to enhance its products and platforms offering to customers across a wide range of industries and markets. IBM will pay the Company for the assumed liabilities as related services are rendered, based on an agreed basis, fair value of the same has been estimated at ` 3,490 crores.

Acquisition has been consummated effective 30 June 2019. The Group has paid ` 5,608 crores till 30 June 2019. ` 5,608 crores is payable after one year and ` 1,035 is payable in three tranches of ` 345 crores each till 30 July 2021 subject to fulfilment of certain conditions as per agreement. These payables have been fair valued at ` 6,419 crores.

The Group has paid ` 6,137 crores on 30 June 2020. The Group has also paid two trenches of purchase consideration amounting to ` 645 crores till 31 December 2020.

The Group had earlier acquired certain intellectual property rights (Licensed IPRs) from IBM for some of these products and was carrying these licensed IPRs at an unamortized value of ` 2,950 crores as of 30 June 2019. This amount has been reduced from Licensed IPRs and included in purchase price.

The purchase price including the fair value of remaining consideration and unamortized value of Licensed IPRs of ` 6,419 crores and ` 2,950 crores respectively is ` 14,977 crores and has been allocated based on management estimates to the acquired assets and liabilities as follows:

	Amount
Recoverable from IBM (against contract liabilities)	3,490
Contract liabilities*	(3,517)
Deferred tax	9
Property plant and equipment and software	2
Intangible assets	
Customer related intangibles	6,350
Technology	2,428
Goodwill	6,215
Total purchase consideration	**14,977**

*Presented gross of ` 1,626 crores recoverable from IBM with a corresponding contract liability for customer contracts entered by IBM for these products with service obligation commencing after 30 June 2019.

The resultant goodwill is considered tax deductible and has been allocated to the Products & Platforms segment. This goodwill is attributable mainly to Group's ability to upgrade the products and enhance the sale of products to customers in existing business of the Group and targeting new customers.

The table below shows the values and lives of intangible assets recognized on acquisition:

	Amount	Life (Years)	Basis of amortization
Customer related intangibles	6,350	10	In proportion of estimated revenue
Technology	2,428	7 to 10	On straight line basis over the estimated life of the respective products
Total intangible assets	**8,778**		

Subsequent to the consummation date, the Group has received certain revised information from seller which has resulted in adjustments in the value of assets and liabilities acquired resulting into increase in intangible assets by ` 115 crores with corresponding decrease in goodwill by ` 127 crores and increase in net assets by ` 59 crores.

Other acquisitions

i. On 1 April 2019, the Group, through a wholly owned subsidiary, entered into an agreement to acquire 100% shareholding in a Company in US doing business of digital transformation consulting. The acquisition will enhance Group's digital consulting offerings with their strong capabilities in digital strategy development, agile program management, business transformation and organizational change management.

The total purchase price for the acquisition is ` 311 crores and has been paid. Total purchase consideration of ` 311 crores has been allocated based on management estimates to the acquired assets and liabilities as follows:

	Amount
Net working capital (including cash of ` 6 crores)	69
Deferred tax liability	(17)
Property plant and equipment and software	3
Intangible assets	
Customer relationships	56
Customer contracts	10
Brand	5
Goodwill	185
Total purchase consideration	**311**

The resultant goodwill is not considered tax deductible and has been allocated to IT & business services segment.

The table below shows the values and lives of intangible assets recognized on acquisition:

	Amount	Life (Years)
Customer relationships	56	9.0
Customer contracts	10	1.0
Brand	5	2.0
Total intangible assets	**71**	

In addition to the purchase consideration, ` 35 crores is payable to certain key employees over a two-year period. Payment of this amount is in the nature of long term incentive plan to the senior managers of the operating entities that includes retention and performance based bonuses. This consideration is being accounted for as post acquisition employee compensation expense in accordance with Ind AS 103 on "Business combination".

ii. On 10 October 2019, the Group acquired 100% shareholding of a Company in India, which offers an integrated portfolio of services and solution to its customers in key semiconductor domains. This acquisition offers an opportunity to combine acquiree analog strength with Group digital SOC (System on Chip) expertise to gain market share in Very Large Scale Integration design services market.

The total purchase price for the acquisition is ` 185 crores. The Group has paid ` 181 crores till 31 December 2020.

Total purchase consideration of ` 185 crores has been allocated based on management estimates to the acquired assets and liabilities as follows:

	Amount
Net working capital (including cash of ` 13 crores)	30
Deferred tax liability	(4)
Property plant and equipment and software	35
Intangible assets	
Customer relationships	30
Customer contracts	8
Brand	3
Non-compete agreement	2
Goodwill	81
Total purchase consideration	**185**

The resultant goodwill is not considered tax deductible and has been allocated to Engineering and R&D services segment.

The table below shows the values and lives of intangible assets recognized on acquisition:

	Amount	Life (Years)
Customer relationships	30	8.5
Customer contracts	8	1.5
Brand	3	2.5
Non-compete agreement	**2**	3.0
Total intangible assets	**43**	

In addition to the purchase consideration, ` 15 crores is payable to certain key employees over a three-year period. Payment of this amount is in the nature of long term incentive plan to the key employees of the operating entities that includes retention and performance based bonuses. This consideration is being accounted for as post acquisition employee compensation expense in accordance with Ind AS 103 on “Business combination”.

3. Notes to condensed consolidated interim financial statements

3.1 Property, plant and equipment

The changes in the carrying value for the period ended 31 December 2020

	Freehold land	Buildings	Plant and equipment	Office Equipment	Computers and networking equipment		Furniture and fixtures	Vehicles #	Total
					Owned	Leased			
Gross block as at 1 April 2020	**88**	**3,159**	**1,789**	**363**	**4,809**	**-**	**884**	**143**	**11,235**
Additions	-	93	98	17	1,015	-	52	16	**1,291**
Acquisitions through business combinations	-	-	-	-	1	-	-	-	**1**
Disposals	10	1	65	6	134	-	32	20	**268**
Translation exchange differences	-	(1)	19	1	174	-	5	-	**198**
Gross block as at 31 December 2020	**78**	**3,250**	**1,841**	**375**	**5,865**	**-**	**909**	**139**	**12,457**
Accumulated depreciation as at 1 April 2020	**-**	**975**	**1,152**	**267**	**2,642**	**-**	**637**	**68**	**5,741**
Charge for the period	-	121	104	27	712	-	54	20	**1,038**
Deduction/other adjustments	-	-	64	6	59	-	30	17	**176**
Translation exchange differences	-	-	10	1	98	-	4	-	**113**
Accumulated depreciation as at 31 December 2020	**-**	**1,096**	**1,202**	**289**	**3,393**	**-**	**665**	**71**	**6,716**
Net block as at 31 December 2020	**78**	**2,154**	**639**	**86**	**2,472**	**-**	**244**	**68**	**5,741**

Note: Capital work in progress includes ` 15 crores interest on extended interest bearing suppliers credit and during the period ` 6 crores have been capitalized by the Group.

Also refer footnote 1 of note 3.13

The changes in the carrying value for the period ended 31 December 2019

	Freehold land	Buildings	Plant and equipment	Office Equipment	Computers and networking equipment		Furniture and fixtures	Vehicles #	Total
					Owned	Leased			
Gross block as at 1 April 2019	**74**	**2,996**	**1,692**	**340**	**4,222**	**47**	**828**	**127**	**10,326**
Additions	-	75	73	33	700	-	18	27	**926**
Transition impact of Ind AS 116	-	-	-	-	-	(47)	-	-	**(47)**
Acquisitions through business combinations	15	8	-	-	4	-	4	-	**31**
Disposals	-	-	9	2	363	-	17	12	**403**
Translation exchange differences	-	3	9	2	80	-	11	-	**105**
Gross block as at 31 December 2019	**89**	**3,082**	**1,765**	**373**	**4,643**	**-**	**844**	**142**	**10,938**
Accumulated depreciation as at 1 April 2019	**-**	**819**	**1,040**	**251**	**2,277**	**9**	**580**	**57**	**5,033**
Charge for the period	-	113	97	29	565	-	50	19	**873**
Transition impact of Ind AS 116	-	-	-	-	-	(9)	-	-	**(9)**
Deduction/other adjustments	-	-	7	2	326	-	16	8	**359**
Translation exchange differences	-	2	5	1	46	-	5	-	**59**
Accumulated depreciation as at 31 December 2019	**-**	**934**	**1,135**	**279**	**2,562**	**-**	**619**	**68**	**5,597**
Net block as at 31 December 2019	**89**	**2,148**	**630**	**94**	**2,081**	**-**	**225**	**74**	**5,341**
Net block as at 1 April 2019	**74**	**2,177**	**652**	**89**	**1,945**	**38**	**248**	**70**	**5,293**

Note: Capital work in progress includes ` 9 crores interest on extended interest bearing suppliers credit and during the period ` 3 crores have been capitalized by the Group.

Also refer footnote 1 of note 3.13

3.2 Reconciliation of carrying amount of goodwill

The following table presents the changes in the carrying value of goodwill based on identified CGUs, for the period ended 31 December 2020

	IT and Business Services	Engineering and R&D services	Products and Platforms	Total
Opening balance as at 1 April 2020	5,607	2,897	7,650	16,154
Acquisitions through business combinations	-	-	133	133
Effect of exchange rate changes	115	(15)	(58)	42
Closing balance as at 31 December 2020	**5,722**	**2,882**	**7,725**	**16,329**

The following table presents the changes in the carrying value of goodwill based on identified CGUs, for the year ended 31 March 2020

	IT and Business Services	Engineering and R&D services	Products and Platforms	Total
Opening balance as at 1 April 2019	5,022	2,755	1,284	9,061
Acquisitions through business combinations	185	81	6,342	6,608
Measurement period adjustment	-	-	(163)	(163)
Effect of exchange rate changes	400	61	187	648
Closing balance as at 31 March 2020	**5,607**	**2,897**	**7,650**	**16,154**

Note : The Group tests goodwill for impairment annually, or more frequently when there is an indication for impairment, and tests intangible assets for impairment when there is an indication for impairment. The Group has performed an evaluation for any indicators of impairment considering the likely impact of COVID-19 on impacted industry verticals and geographies.

HCL Technologies Limited

Notes to condensed consolidated interim financial statements for the period ended 31 December 2020 (unaudited)

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

3.3 Other intangible assets

The changes in the carrying value for the period ended 31 December 2020

	Software	Licensed IPRs	Customer relationships	Customer contracts	Technology	Intellectual property rights	Non-compete agreements	Total
Gross block as at 1 April 2020	**1,502**	**5,410**	**7,257**	**77**	**2,920**	**23**	**6**	**17,195**
Additions	105	597	-	47	-	-	-	**749**
Acquisitions through business combinations	-	-	89	15	92	-	7	**203**
Disposals / other adjustments	20	-	-	-	-	-	-	**20**
Translation exchange differences	14	18	(1)	(1)	(12)	-	-	**18**
Gross block as at 31 December 2020	**1,601**	**6,025**	**7,345**	**138**	**3,000**	**23**	**13**	**18,145**
Accumulated amortization as at 1 April 2020	**1,291**	**1,441**	**803**	**77**	**371**	**15**	**3**	**4,001**
Charge for the period	135	428	916	25	275	4	1	**1,784**
Deduction / other adjustments	7	-	-	-	-	-	-	**7**
Translation exchange differences	11	5	1	(1)	(1)	-	-	**15**
Accumulated amortization as at 31 December 2020	**1,430**	**1,874**	**1,720**	**101**	**645**	**19**	**4**	**5,793**
Net block as at 31 December 2020	**171**	**4,151**	**5,625**	**37**	**2,355**	**4**	**9**	**12,352**
Estimated remaining useful life (in years)	3	12	9	3	9	2	4	

Also refer footnote of note 3.2

The changes in the carrying value for the period ended 31 December 2019

	Software	Licensed IPRs	Customer relationships	Customer contracts	Technology	Intellectual property rights	Non-compete agreements	Total
Gross block as at 1 April 2019	**1,316**	**8,748**	**755**	**55**	**452**	**13**	**4**	**11,343**
Additions	117	70	-	-	-	-	-	**187**
Acquisitions through business combinations	10	-	6,446	18	2,428	9	2	**8,913**
Disposals / other adjustments (refer note 2)	1	3,432	-	-	-	-	-	**3,433**
Translation exchange differences	21	16	20	1	15	-	-	**73**
Gross block as at 31 December 2019	**1,463**	**5,402**	**7,221**	**74**	**2,895**	**22**	**6**	**17,083**
Accumulated amortization as at 1 April 2019	**1,066**	**1,400**	**207**	**55**	**70**	**9**	**2**	**2,809**
Charge for the period	137	410	323	11	199	3	1	**1,084**
Deduction / other adjustments (refer note 2)	1	482	-	-	-	-	-	**483**
Translation exchange differences	20	2	6	1	5	1	-	**35**
Accumulated amortization as at 31 December 2019	**1,222**	**1,330**	**536**	**67**	**274**	**13**	**3**	**3,445**
Net block as at 31 December 2019	**241**	**4,072**	**6,685**	**7**	**2,621**	**9**	**3**	**13,638**
Net block as at 1 April 2019	**250**	**7,348**	**548**	**-**	**382**	**4**	**2**	**8,534**
Estimated remaining useful life (in years)	3	13	10	1	10	3	3	

3.4 Investments

	As at	
	31 Dec 2020	**31 March 2020**
Financial assets		
Non - current		
Unquoted investments		
Carried at fair value through profit and loss		
Equity instruments	36	33
Investment in limited liability partnership	44	44
	80	**77**
Current		
Quoted investments		
Carried at fair value through other comprehensive income		
Investment in debt securities	3,526	3,691
Unquoted investments		
Carried at fair value through profit and loss		
Investment in mutual funds	3,695	3,298
	7,221	**6,989**
Total investments - financial assets	**7,301**	**7,066**
Aggregate amount of quoted investments	3,526	3,691
Aggregate amount of unquoted investments	3,775	3,375
Market value of quoted investments	3,526	3,691
Investment carried at fair value through other comprehensive income	3,526	3,691
Investment carried at fair value through profit and loss	3,775	3,375

3.5 Loans

	As at	
	31 Dec 2020	**31 March 2020**
Current		
Carried at amortized cost		
Unsecured , considered good		
Inter corporate deposits	4,861	3,420
Loans to employees	1	2
	4,862	**3,422**

3.6 Other financial assets

	As at	
	31 Dec 2020	31 March 2020
Non - current		
Carried at amortized cost		
Bank deposits with more than 12 months maturity (refer note below)	1	1
Finance lease receivables	1,030	994
Security deposits	133	138
Security deposits - related parties	20	19
Unbilled receivable	1,005	1,199
Other receivable	-	22
	2,189	2,373
Carried at fair value through other comprehensive income		
Unrealized gain on derivative financial instruments	64	-
	2,253	**2,373**
Current		
Carried at amortized cost		
Unbilled receivable	3,465	3,637
Contract assets	318	527
Interest receivable	142	253
Security deposits	78	77
Security deposits - related parties	4	4
Finance lease receivables	798	711
Other receivable	418	1,188
	5,223	6,397
Carried at fair value through other comprehensive income		
Unrealized gain on derivative financial instruments	70	2
Carried at fair value through profit and loss		
Unrealized gain on derivative financial instruments	41	65
	5,334	**6,464**

Note: Pledged with banks as security for guarantees ₹ 1 crores (31 March 2020, ₹ 1 crores)

3.7 Other non- current assets

	As at	
	31 Dec 2020	31 March 2020
Unsecured, considered good		
Capital advances	87	112
Advances other than capital advances		
Security deposits	36	38
Others		
Prepaid expenses	320	379
Prepaid expenses - related parties	1	-
Deferred contract cost	1,551	1,297
Others	3	3
	1,998	**1,829**

3.8 Inventories

	As at	
	31 Dec 2020	31 March 2020
Stock-in-trade	153	91
	153	**91**

3.9 Trade receivables

	As at	
	31 Dec 2020	31 March 2020
Unsecured, considered good (refer note below)	13,335	14,614
Trade receivables - credit impaired	60	51
	13,395	**14,665**
Impairment allowance for bad and doubtful debts	(520)	(534)
	12,875	**14,131**

Note: Includes receivables from related parties amounting to ` 10 crores (31 March 2020, ` 5 crores)

3.10 Cash and bank balances

	As at	
	31 Dec 2020	31 March 2020
(a) Cash and cash equivalents		
Balance with banks		
- in current accounts	5,398	3,719
- deposits with original maturity of less than 3 months	411	839
Cheques in hand	5	-
Remittances in transit	40	285
Unclaimed dividend account	6	5
	5,860	**4,848**
Cash and cash equivalents consists of the following for the purpose of the cash flow statement:		
Cash and cash equivalent	5,860	4,848
Bank overdraft (refer note 3.13)	(5)	(1,088)
	5,855	**3,760**
(b) Other bank balances		
Deposits with remaining maturity up to 12 months (refer note 1 below)	1,206	128

Note:
1. Pledged with banks as security for guarantees ` 5 crores (31 March 2020, ` 5 crores)

3.11 Other current assets

	As at	
	31 Dec 2020	**31 March 2020**
Unsecured , considered good		
Advances other than capital advances		
Security deposits	43	51
Advances to employees	6	37
Advances to suppliers	105	131
Others		
Deferred contract cost	706	559
Prepaid expenses	1,292	1,132
Prepaid expenses - related parties	3	15
Goods and service tax receivable	76	79
Other advances	291	186
	2,522	2,190
Unsecured , considered doubtful		
Advances other than capital advances		
Advances to employees	83	76
Other advances	16	15
Less: provision for doubtful advances	(99)	(91)
	-	-
	2,522	**2,190**

3.12 Share capital

	As at	
	31 Dec 2020	31 March 2020
Authorized		
3,000,000,000 (31 March 2020, 3,000,000,000) equity shares of ` 2 each	600	600
Issued, subscribed and fully paid up		
2,713,665,096 (31 March 2020, 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 period

	As at			
	31 Dec 2020		31 March 2020	
	No. of shares	` in Crores	No. of shares	` in Crores
Number of shares at the beginning	2,713,665,096	543	1,356,278,868	271.3
Add: Shares issued on exercise of employee stock options	-	-	553,680	0.1
Add: Bonus shares issued	-	-	1,356,832,548	271.4
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.

Details of shareholders holding more than 5 % shares in the company

	As at			
	31 Dec 2020		31 March 2020	
Name of the shareholder	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	1,177,357,190	43.39%	1,172,772,190	43.22%
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.

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 Dec 2020	**31 March 2020**
Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash	15,563,430 Equity shares	15,563,430 Equity shares
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	71,363,636 Equity shares	71,363,636 Equity shares

During the previous year ended 31 March 2020, pursuant to the approval of the shareholders through postal ballot (including remote e-voting), the Company has allotted 1,356,832,548 bonus shares of ` 2/- each fully paid-up on 10 December 2019 in the proportion of 1 equity share for every 1 equity share of ` 2/- each held by the equity shareholders of the Company as on the record date of 7 December 2019. Consequently the Company capitalized a sum of ` 271 crore from "retained earnings".

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 18 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 have also resorted to borrowing to meet local funding requirements in certain foreign subsidiaries.

3.13 Borrowings

	Non-current		Current	
	As at		As at	
	31 Dec 2020	**31 March 2020**	**31 Dec 2020**	**31 March 2020**
Long term borrowings				
Secured				
Term loans from banks (refer note 1 below)	28	32	18	18
Unsecured				
Term loans from banks (refer note 2 below)	2,676	2,816	325	378
Other loans (refer note 3 below)	-	-	-	3
	2,704	**2,848**	**343**	**399**
Current maturities of long term borrowings disclosed under Note 3.14 "Other financial liabilities"	-	-	(343)	(399)
	2,704	**2,848**	**-**	**-**
Short term borrowings				
Unsecured				
Bank overdraft (refer note 4 below)	-	-	5	1,088
Term loans from banks (refer note 5 below)	-	-	-	757
	-	**-**	**5**	**1,845**

Note:-

1. The Group has availed term loans of ` 46 crores (31 March 2020, ` 50 crores) secured against gross block of vehicles of ` 125 crores (31 March 2020, ` 129 crores) at interest rates ranging from 8.45% p.a. to 9.75% 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 ` 3,001 crores (31 March 2020, ` 3,194 crores) borrowed from banks at interest rate ranging from 0.85% p.a. to 7.05% p.a. The scheduled principal repayments of loans are as follows:

	As at	
	31 Dec 2020	**31 March 2020**
Within one year	325	378
One to two years	2,396	272
Two to three years	257	2,404
Three to five years	23	140
	3,001	**3,194**

3. The other loan of ₹ Nil (31 March 2020, ₹ 3 crores) represents long term loan taken for purchase of plant and equipment at interest rates of 0% p.a. was repaid during the period ended 31 December 2020.

4. Current borrowings were primarily on account of bank overdrafts required for management of working capital. The Group has availed bank line of credit at interest rate of 5.45% p.a. which is repayable on demand.

5. Unsecured short term loan of ` Nil (31 March 2020, ` 757 crores) borrowed from banks at interest rate of 1.72% p.a.was repaid during the period ended 31 December 2020.

3.14 Other financial liabilities

	As at	
	31 Dec 2020	**31 March 2020**
Non - current		
Carried at amortized cost		
Employee bonuses accrued	18	127
Capital accounts payables	561	94
Deferred consideration	-	365
	579	586
Carried at fair value through other comprehensive income		
Unrealized loss on derivative financial instruments	24	218
Carried at fair value through profit and loss		
Liability towards non-controlling interest	407	390
	1,010	**1,194**
Current		
Carried at amortized cost		
Current maturities of long term borrowings	343	399
Interest accrued but not due on borrowings	8	16
Unclaimed dividends	6	5
Deferred consideration	360	6,486
Accrued salaries and benefits		
Employee bonuses accrued	1,733	1,519
Other employee costs	956	981
Others		
Liabilities for expenses	3,826	3,720
Liabilities for expenses-related parties	21	23
Capital accounts payables [includes supplier credit ` 38 crores (31 March 2020, ` 123 crores)]	681	640
Capital accounts payables-related parties [includes supplier credit ` Nil (31 March 2020, ` 1 crores)]	-	1
Supplier credit	22	165
Supplier credit-related parties	43	167
Book overdraft	1	4
Other payables	17	22
	8,017	14,148
Carried at fair value through other comprehensive income		
Unrealized loss on derivative financial instruments	40	136
Carried at fair value through profit and loss		
Unrealized loss on derivative financial instruments	11	17
Contingent consideration	-	6
Liability towards non-controlling interest	32	33
	43	56
	8,100	**14,340**

3.15 Provisions

	As at	
	31 Dec 2020	**31 March 2020**
Non - current		
Provision for employee benefits		
Provision for gratuity	616	520
Provision for leave benefits	537	487
Provision for provident fund liabilities	41	41
	1,194	**1,048**
Current		
Provision for employee benefits		
Provision for gratuity	117	88
Provision for leave benefits	772	618
	889	**706**

3.16 Other non-current liabilities

	As at	
	31 Dec 2020	**31 March 2020**
Contract liabilities	450	373
Others	28	26
	478	**399**

3.17 Trade payables

	As at	
	31 Dec 2020	**31 March 2020**
Trade payables	1,631	1,163
Trade payables-related parties	-	3
	1,631	**1,166**

3.18 Other current liabilities

	As at	
	31 Dec 2020	**31 March 2020**
Contract liabilities	2,562	2,697
Contract liabilities-related parties	4	2
Other advances		
Advances received from customers	309	252
Others		
Withholding and other taxes payable	1,316	938
	4,191	**3,889**

HCL Technologies Limited

Notes to condensed consolidated interim financial statements for the period ended 31 December 2020 (unaudited)

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

3.19 Revenue from operations

	Three months ended		Nine months ended	
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
Sale of services	18,699	17,599	54,132	50,752
Sale of hardware and software	603	536	1,606	1,337
	19,302	**18,135**	**55,738**	**52,089**

Disaggregate revenue information

Revenues by geography

Group operates out of various geographies and America and Europe constitute major portion of revenue accounting for over 56% and 28% and 59% and 27% for the three months period ended 31 December 2020 and 2019 respectively, and 57% and 27% and 58% and 28% and for the nine months period ended 31 December 2020 and 2019 respectively, rest of revenue is generated by various other geographies. Revenue and cash flow from these geographies are consistent across various periods and are effected only in cases of specific risk with respect to any country or customer as the case maybe.

The disaggregated revenue from contracts with the customers by contract type is as follows:

	Three months ended		Nine months ended	
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
Fixed price	13,197	12,292	37,623	34,371
Time and material	6,105	5,843	18,115	17,718
	19,302	18,135	55,738	52,089

The group has evaluated the impact of COVID-19 resulting from (a) increase in cost budget of fixed price projects due to additional efforts; (b) onerous projects; (c) penalties for not meeting SLAs; (d) volume discounts; (e) termination/deferment of projects to ensure that revenue is recognised after considering all these impacts to the extent known and available currently. We would continue to assess COVID-19 impact as we go along due to uncertainties associated with its nature and duration.

3.20 Other income

	Three months ended		Nine months ended	
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
Interest income				
- On investments carried at fair value through other comprehensive income	47	41	137	97
- On other financial instruments carried at amortized cost	117	75	335	228
- On income tax refund	-	-	1	10
Profit on sale of investments carried at fair value through other comprehensive income	-	1	-	16
Income on investments carried at fair value through profit and loss				
- Unrealized gains (loss) on fair value changes on mutual funds	16	(3)	8	(5)
- Profit on sale of mutual funds	3	25	70	87
- Share of profit in limited liability partnership	-	-	-	4
- Unrealized (loss) on fair value changes on equity instruments	-	(1)	-	(30)
Profit on sale of property, plant and equipments (refer note below)	-	-	107	-
Exchange differences (net)	-	13	-	21
Miscellaneous income	6	6	25	14
	189	**157**	**683**	**442**

Note : Net of loss on sale of property, plant and equipments of ` Nil and ` 5 crore for three and nine months period ended 31 December 2020.