

**Press Release****HCL Technologies restructures investment portfolio**

**New Delhi, May 22, 2002:** HCL Technologies Ltd. has restructured its treasury investment portfolio. This is consequent to the amendments proposed by Union Budget 2002 with regard to the tax treatment of dividends received from debt mutual funds. As a part of restructuring, a substantial part of the investments in debt mutual funds have been moved from dividend plan to growth plan. These are long-term investments and under normal circumstances would not be redeemed before one year. Thus, the income from these investments would primarily be in the form of long-term capital gains, which are subject to concessional tax rates.

As per US GAAP, income recognition relating to mutual fund units is allowed only when the gains are realized in cash either through dividends or by way of redemption of such units. As a result of the restructuring of investments, the accrual of Other Income for HCLT in the next four quarters would be significantly lower compared to the previous quarter and would thus impact the net income (under US GAAP) of the company in this period.

**About HCL Technologies**

HCL Technologies is one of India's leading global IT services and product engineering companies, providing value-added, software-led IT solutions and services to large and medium-scale organizations. Founded in 1991, HCL Technologies focuses on technology as well as R&D outsourcing, with the objective of working with clients in areas at the core of their business. HCL Technologies delivers these services through an extensive offshore software development infrastructure and a vast global marketing network that enables scaleable, flexible and cost-effective delivery. As of March 31, 2002, HCL Technologies Limited along with its subsidiaries had 5,945 employees. The HCL Technologies team today has operations spanning 25 locations in 14 countries — covering over 80% of the world's IT market. Together with its knowledge of embedded systems, core technologies and applications development expertise, HCL Technologies is positioned, as a composite solutions provider equipped to cater to the entire gamut of IT needs. For more information, visit HCL Technologies at [www.hcltech.com](http://www.hcltech.com).

Certain statements in this release are forward-looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition in IT services including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies/ entities in which we have made strategic investments, withdrawal of governmental fiscal incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry. The company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the company.

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