

**HCL Bermuda Limited**  
**STANDALONE FINANCIAL STATEMENT**  
Years ended 31st March 2018 and 31st March 2017

**HCL Bermuda Limited**

**Balance Sheet as at 31 March 2018**

(All amounts in thousands except share data and as stated otherwise)

	Note No.	As at 31 March 2018 (USD)	As at 31 March 2017 (USD)	As at 31 March 2018 (₹)
<b>I. ASSETS</b>				
(1) Non-current assets				
(a) Financial assets				
(i) Investments	2.1	704,166	681,478	45,895,742
(2) Current assets				
(a) Financial assets				
(i) Cash and cash equivalents	2.2	117	416	7,641
(ii) Loans	2.3	15,765	19,583	1,027,493
(iii) Others	2.4	720	634	46,916
(b) Other current assets	2.5	32	36	2,093
<b>TOTAL ASSETS</b>		<b>720,800</b>	<b>702,147</b>	<b>46,979,885</b>
<b>II. EQUITY</b>				
(a) Equity share capital	2.6	445,493	445,493	29,036,087
(b) Other equity		253,632	251,075	16,531,066
<b>III. LIABILITIES</b>				
(1) Current liabilities				
(a) Financial liabilities				
(i) Borrowings	2.7	21,500	-	1,401,316
(ii) Others	2.8	175	226	11,416
(b) Other current liabilities	2.9	-	5,353	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>720,800</b>	<b>702,147</b>	<b>46,979,885</b>

Summary of significant accounting policies

1

The accompanying notes are an integral part of the financial statements

As per our report of even date

**FOR S. R. BATLIBOI & CO. LLP**

ICAI Firm Registration Number : 301003E/E300005

Chartered Accountants

SD/-

per Nilangshu Katriar  
Partner

Membership Number: 58814

Gurugram, India

Date: 10 August 2018

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

L. R. R.

Raghu Raman Lakshmanan  
Director

Rob All

Robin Abrams  
Director

Date: 10 August 2018

HCL Bermuda Limited  
Statement of Profit and Loss for the year ended 31 March 2018  
(All amounts in thousands except share data and as stated otherwise)

	Note No.	Year ended 31 March 2018 (USD)	Year ended 31 March 2017 (USD)	Year ended 31 March 2018 (₹)
I Revenue				
Other income	2.10	3,175	8,639	206,934
Total Income		<u>3,175</u>	<u>8,639</u>	<u>206,934</u>
II Expenses				
Employee benefits expense	2.11	514	493	33,501
Finance costs	2.12	12	0	775
Other expenses	2.13	92	148	6,001
Total expenses		<u>618</u>	<u>641</u>	<u>40,277</u>
III Profit before tax		<u>2,557</u>	<u>7,998</u>	<u>166,657</u>
IV Tax expense		-	-	-
V Profit for the year		<u>2,557</u>	<u>7,998</u>	<u>166,657</u>
VI Other comprehensive income		-	-	-
VII Total comprehensive income for the year		<u>2,557</u>	<u>7,998</u>	<u>166,657</u>
Earnings per equity share of USD 1 each	2.14			
Basic		0.01	0.02	0.37
Diluted		0.01	0.02	0.37

Summary of significant accounting policies

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ICAI Firm Registration Number: 301003E/E300005  
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For and on behalf of the Board of Directors  
of HCL Bermuda Limited

L. R. R.

Raghu Raman Lakshmanan  
Director

R. C. A.

Robin Abrams  
Director

Date: 10 August 2018

HCL Bermuda Limited  
Statement of Changes in Equity for the year ended 31 March 2018  
(All amounts in thousands except share data and as stated otherwise)

(Amount in USD)							
	Share capital				Other Equity		Total other equity
	Equity shares	Equity share capital	Preference shares	Preference share capital	Retained earnings	Securities premium	
Balance as of April 1, 2016	409,670,582	409,671	261,500,000	261,500	8,480	8,919	17,399
Profit for the year	-	-	-	-	7,998	-	7,998
Other comprehensive income / (loss)	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	7,998	-	7,998
Securities premium for conversion of Preference shares in to equity shares	-	-	-	(225,678)	-	225,678	225,678
Conversion of Preference shares in to equity shares	35,821,918	35,822	(261,500,000)	(35,822)	-	-	-
Balance as of March 31, 2017	445,492,500	445,493	-	-	16,478	234,597	251,075
Balance as of April 1, 2017	445,492,500	445,493	-	-	16,478	234,597	251,075
Profit for the year	-	-	-	-	2,557	-	2,557
Other comprehensive income / (loss)	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	2,557	-	2,557
Balance as of March 31, 2018	445,492,500	445,493	-	-	19,035	234,597	253,632

(Amount in ₹)							
	Share capital				Other Equity		Total other equity
	Equity shares	Equity share capital	Preference shares	Preference share capital	Retained earnings	Securities premium	
Balance as of April 1, 2017	445,492,500	29,036,087	-	-	1,073,968	15,290,441	16,364,409
Profit for the year	-	-	-	-	166,657	-	166,657
Other comprehensive income / (loss)	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	166,657	-	166,657
Balance as of March 31, 2018	445,492,500	29,036,087	-	-	1,240,625	15,290,441	16,531,066

Summary of significant accounting policies (refer note 1)

The accompanying notes are an integral part of the financial statements  
As per our report of even date.

FOR S. R. BATLIBOI & CO. LLP  
ICAI Firm Registration Number : 301003E/E300005  
Chartered Accountants

SD/-  
per Nilangshu Katriar  
Partner  
Membership Number: 56814

Gurugram, India  
Date: 10 August 2018

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

Raghu Raman Lakshmanan  
Director

Robin Abrams  
Director

Date: 10 August 2018

HCL Bermuda Limited

Statement of Cash flows for the year ended 31 March 2018

(All amounts in thousands except share data and as stated otherwise)

	Year ended 31 March 2018 (USD)	Year ended 31 March 2017 (USD)	Year ended 31 March 2016 (₹)
<b>A. Cash flows from operating activities</b>			
Profit before tax	2,557	7,998	166,657
Adjustment for:			
Dividend income	(2,406)	(8,277)	(156,825)
Reversal of excess provision for diminution in value of investment	(201)	-	(13,081)
Interest income	(429)	(362)	(27,942)
<b>Operating profit before working capital changes</b>	<b>(479)</b>	<b>(641)</b>	<b>(31,191)</b>
<b>Movement in working capital</b>			
(Increase)/ decrease in other financial assets and other assets	(5)	(6)	(326)
Increase/ (decrease) in other current financial liabilities	(51)	178	(3,286)
Increase/ (decrease) in provisions, other financial liabilities and other liabilities	-	5,353	-
<b>Cash generated from/(used in) operations</b>	<b>(535)</b>	<b>4,884</b>	<b>(34,803)</b>
Direct taxes paid (net of refunds)	-	-	-
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>(535)</b>	<b>4,884</b>	<b>(34,803)</b>
<b>B. Cash flows from investing activities</b>			
Loan to related parties	(681)	(13,500)	(44,386)
Loan repayment received from related parties	4,500	5,000	293,299
Interest received	350	-	22,793
Dividend received	2,406	8,277	156,825
Investment in associates	(27,839)	(4,550)	(1,814,498)
<b>Net cash flow used in investing activities (B)</b>	<b>(21,264)</b>	<b>(4,773)</b>	<b>(1,385,967)</b>
<b>C. Cash flows from financing activities</b>			
Proceeds from short term borrowings	21,500	-	1,401,316
<b>Net cash flow from financing activities (C)</b>	<b>21,500</b>	<b>-</b>	<b>1,401,316</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(299)</b>	<b>111</b>	<b>(19,454)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>416</b>	<b>305</b>	<b>27,095</b>
<b>Cash and cash equivalents at the end of the year as per note 2.2</b>	<b>117</b>	<b>416</b>	<b>7,641</b>
<b>Summary of significant accounting policies (refer note 1)</b>			

As per our report of even date.

FOR S. R. BATLIBOI & CO. LLP

ICAI Firm Registration Number : 301003E/E300005

Chartered Accountants

SD/-

per Nilangshu Katriar

Partner

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Date: 10 August 2018

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L.R.R.

Raghu Raman Lakshmanan

Director

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Robin Abrams

Director

Date: 10 August 2018

## **HCL Bermuda Limited**

**Significant accounting policies and notes to financial statements for the year ended 31 March 2018**  
(All amounts in thousands except share data and as stated otherwise)

### **Company Overview**

HCL Bermuda Limited (hereinafter referred to as the 'Company') was incorporated in Canon's Court 22, Victoria Street, Hamilton HM Bermuda on December 15, 1997. The company acts as a parent and has invested in subsidiaries which are engaged in business of providing software related IT Solutions, infrastructure management services and BPO Services.

The financial statements for the year ended 31 March 2018 were approved and authorized for issue by the Board of Directors on 10 August 2018.

#### **1. Significant Accounting Policies**

##### **a) Basis of preparation**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

These financial statements have been prepared under the historical cost convention on an accrual and going concern basis except certain assets and liabilities which have been measured at fair value (refer accounting policy regarding financial instruments).

As the company is not domiciled in India and hence not registered under Companies Act 2013, these financial statements have not been prepared to fully comply with the Companies Act 2013, and so they do not reflect all the disclosures requirements of the Act.

The functional currency of the Company is USD. The translation from USD to ₹ is unaudited and is included solely for the convenience of readers in India and has been performed using rate of USD 1 = ₹ 65.1775/-, the exchange rate prevailing as at the last day of the financial year. Such translation should not be construed as representation that the ₹ amount represents, or have been or could be converted into, USD at that or any other rate.

##### **b) Use of estimates**

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

##### **c) Fair value measurement**

The company records certain financial assets and liabilities at fair value on a recurring basis. The company determines fair values based on the price it would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or most advantageous market for that asset or liability.

## **HCL Bermuda Limited**

### **Significant accounting policies and notes to financial statements for the year ended 31 March 2018**

**(All amounts in thousands except share data and as stated otherwise)**

The Company holds certain fixed income securities, equity securities and derivatives, which must be measured using the guidance for fair value hierarchy and related valuation methodologies. The guidance of fair value specifies a hierarchy of valuation techniques based on whether the inputs to each measurement are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's assumptions about current market conditions. The fair value hierarchy also requires an Company 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 methodology.
- c) Cost approach – Replacement cost method.

Certain assets are measured at fair value on a non-recurring basis. The assets consist primarily of non-financial assets such as goodwill and intangible assets. Goodwill and intangible assets recognized in business acquisition 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.

#### **d) Foreign currency transactions**

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated to the relevant functional currency at exchange rates in effect at the balance sheet date. Exchange differences arising on settlement or translation of monetary items are recognized in the statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the initial transaction. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the year in which the transaction is settled. Revenue, expenses and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

## **HCL Bermuda Limited**

### **Significant accounting policies and notes to financial statements for the year ended 31 March 2018**

**(All amounts in thousands except share data and as stated otherwise)**

#### **e) 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 equivalent***

Cash in the balance sheet comprise cash in banks, which is subject to an insignificant risk of changes in values.

##### ***Financial instruments at amortized cost***

A financial instrument is measured at the amortized cost if both the following conditions are met :

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in other income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss. This category includes cash and bank balances, loans, unbilled revenue, trade and other receivables.

##### ***Derecognition of financial assets***

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset.

##### ***Impairment of financial assets***

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit and loss. Lifetime ECL allowance is recognized for trade receivables with no significant financing component. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case they are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognized in statement of profit and loss.

##### **ii. Financial liabilities**

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.



## **HCL Bermuda Limited**

### **Significant accounting policies and notes to financial statements for the year ended 31 March 2018**

**(All amounts in thousands except share data and as stated otherwise)**

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.

#### **f) Earning per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted EPS amounts are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

#### **g) Provisions**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows.

#### **h) Retirement and other employee benefits**

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

#### **i) Income**

Profit on sale of Investments is recorded on transfer of title from the Company and is determined as the difference between the sales price and the then carrying value of the investment. Interest on the deployment of surplus funds is recognized using the time-proportion method, based on interest rates implicit in the transaction.

Dividend income is recognized when the right to receive the same is established.

#### **j) Investment**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

## **HCL Bermuda Limited**

### **Significant accounting policies and notes to financial statements for the year ended 31 March 2018**

**(All amounts in thousands except share data and as stated otherwise)**

On initial recognition, all investments are measured at cost. The cost comprises the purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired by the issue of shares or the other securities, the acquisition cost is the fair value of securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried at the lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the long term investments. The reduction in carrying amount is reversed when there is a rise in the value of the investments or if the reasons for reduction no longer exist.

On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

#### **k) Contingent liabilities**

A contingent liability is a possible obligation that may arise from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

#### **l) Recently issued accounting pronouncements**

On 28 March 2018, the Ministry of Corporate Affairs (MCA), notified Companies (Indian Accounting Standards) (Amendments) Rules, 2018, amending the following standards:

##### **Appendix B to Ind AS 21, 'Foreign Currency Transactions and Advance Consideration'**

The amendment clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognizes the nonmonetary asset or non-monetary liability arising from the advance consideration.

The Appendix is effective for annual periods beginning on or after 1 April 2018. However, since the Company's current practice is in line with the Interpretation, the Company does not expect any effect on its financial statements.

**HCL Bermuda Limited**  
**Notes to financial statements for the year ended 31 March 2018**  
**(All amounts in thousands except share data and as stated otherwise)**

**2.1 Financial Assets - Investments**

	As at		
	31 March 2018	31 March 2017	31 March 2018
	(USD)	(USD)	(₹)
<b>In subsidiary companies (unquoted), fully paid up</b>			
Investment in Equity Instruments (Unquoted)			
6,089,870 equity shares (31 March 2017: 6,089,870) of USD 1 each, in HCL America Inc., United States of America	53,270	53,270	3,472,007
500,000 equity shares (31 March 2017: 500,000) of AUD 1 each, in HCL Australia Services Pty. Limited, Australia	259	259	16,876
193,167 equity shares (31 March 2017: 193,167) of HKD 1 each, in HCL Hong Kong SAR Limited, Hong Kong	25	25	1,629
10 equity shares (31 March 2017: 10) of NZD 1 each, in HCL (New Zealand) Limited, New Zealand	25	25	1,629
106,070 equity shares (31 March 2017: 106,070) of INR 10 each, in HCL Global Processing Services Limited	14	14	885
Variable shares in HCL Holdings GmbH, Austria	6,460	6,460	421,047
1,001,616 equity shares (31 March 2017: 1,001,616) of Singapore Dollar 1 each, in HCL Singapore Pte. Ltd., Singapore	180	180	11,759
9,999 (31 March 2017: 9,999) equity shares of CAD 20.7316 each, in HCL Axon Technologies Inc.	180	180	11,732
NIL equity share (31 March 2017: 1) of US Dollar 1 each, in HCL Expense Management Services Inc., United States of America	-	22,473	-
9,000,000 equity shares (31 March 2017: 9,000,000) Hungary of HUF 1 each, in HCL Hungary Kft., Hungary	42	42	2,737
35,328 equity shares (31 March 2017: 35,328) of RON 10 each, in HCL Technologies Romania S.R.L., Romania	117	117	7,626
17,496 units (31 March 2017: 15,496) of USD 1000 each in HCL Latin America Holding, LLC, Delaware	17,496	15,496	1,140,346
1 equity share (31 March 2017: 1) of GBP 1 each, in HCL EAS Limited, United Kingdom.	0	0	0
10,980 equity shares (31 March 2017: 10,980) of SAR 500 each, fully paid up, in HCL Arbia LLC	1,464	1,464	95,423
990,000 equity shares (31 March 2017: 990,000) of Rp 9.074 each, in HCL Technologies Indonesia	1,004	1,004	65,461
46,275,902 (31 March 2017: 21,075,902) Equity Shares of USD 1 in HCL Technologies UK Limited	46,276	21,076	3,016,148
3650 equity shares units (31 March 2017: 200) of AED 1000 each, in HCL Technologies Middle East FZ-LLC	994	54	64,773
1736 equity shares (31 March 2017: 1736) of OMR 100 each, in HCL Technologies Muscat LLC	452	452	29,440
Investment in Preference Shares (Unquoted)			
573,698,700 preference share (31 March 2017: 573,698,700) of USD 1 each, in HCL EAS Limited, United Kingdom	573,699	573,699	37,392,247
<b>Investment in Preference Membership units (Unquoted)</b>			
2,209 preference units (31 March 2017: 2,209) of USD 1000 each in HCL Latin America Holding LLC	2,209	2,209	143,977
<b>Investment in Transit</b>			
HCL Latin America Holding LLC	-	300	-
<b>Less: Provision for diminution in value of investment (refer note 2.17)</b>	-	(17,321)	-
	<b>704,166</b>	<b>681,478</b>	<b>45,895,742</b>
<b>Aggregate amount of unquoted non- current investments</b>	<b>704,166</b>	<b>681,478</b>	<b>45,895,742</b>
<b>Equity instruments carried at cost</b>	<b>704,166</b>	<b>681,478</b>	<b>45,895,742</b>

**HCL Bermuda Limited**

**Notes to financial statements for the year ended 31 March 2018**

(All amounts in thousands except share data and as stated otherwise)

**2.2 Cash and cash equivalent**

	As at		
	31 March 2018	31 March 2017	31 March 2018
	(USD)	(USD)	(₹)
Balance with banks			
- in current accounts	117	416	7,641
	117	416	7,641

**2.3 Financial Assets - Loans**

	As at		
	31 March 2018	31 March 2017	31 March 2018
	(USD)	(USD)	(₹)
<b>Current</b>			
Unsecured , considered good			
Loans to related parties (refer note 2.19)	15,765	19,583	1,027,493
	15,765	19,583	1,027,493

**2.4 Other financial assets**

	As at		
	31 March 2018	31 March 2017	31 March 2018
	(USD)	(USD)	(₹)
<b>Current</b>			
Interest receivable - related parties (refer note 2.19)	563	484	36,706
Debtors for expense - related parties (refer note 2.19)	157	150	10,210
	720	634	46,916

**2.5 Other current assets**

	As at		
	31 March 2018	31 March 2017	31 March 2018
	(USD)	(USD)	(₹)
<b>Unsecured , considered good</b>			
Prepaid expenses	32	36	2,093
	32	36	2,093

## 2.6 Share Capital

	As at	As at	As at
	31 March 2018	31 March 2017	31 March 2018
	(USD)	(USD)	(₹)
<b>Authorized</b> 1,000,000,000 (31 March 2017: 1,000,000,000) shares of USD 1 each	1,000,000	1,000,000	65,177,500
<b>Issued, subscribed and fully paid up</b> <b>Equity share capital</b> 445,492,500 (31 March 2017: 445,492,500) equity shares of USD 1 each, fully paid up	445,493	445,493	29,036,087
	445,493	445,493	29,036,087

### Terms/ rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of USD 1 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 any of 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 Equity shares outstanding at the beginning and at the end of the reporting period

	As at			
	31 March 2018		31 March 2017	
	No. of shares	Amount (USD)	No. of shares	Amount (USD)
Number of shares at the beginning	445,492,500	445,493	409,670,582	409,671
Add: Shares issued during the year	-	-	35,821,918	35,822
Number of shares at the end	445,492,500	445,493	445,492,500	445,493

### Reconciliation of the number of Preference shares outstanding at the beginning and at the end of the reporting period

	As at			
	31 March 2018		31 March 2017	
	No. of shares	Amount (USD)	No. of shares	Amount (USD)
Number of shares at the beginning	-	-	261,500,000	261,500
Add: Shares issued during the year	-	-	-	-
Less: Shares converted in to equity shares during the year	-	-	261,500,000	261,500
Number of shares at the end	-	-	-	-

### Details of shares held by holding/ultimate holding company and/or their subsidiaries/associates:-

Name of the shareholder	As at			
	31 March 2018		31 March 2017	
	No. of shares	% holding in the class	No. of shares	% holding in the class
<b>Equity shares of USD 1 each fully paid up</b> HCL Technologies Limited, the holding company	445,492,500	100.00%	445,492,500	100.00%

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

Name of the shareholder	As at			
	31 March 2018		31 March 2017	
	No. of shares	% holding in the class	No. of shares	% holding in the class
<b>Equity shares of USD 1 each fully paid</b> HCL Technologies Limited, the holding company	445,492,500	100.00%	445,492,500	100.00%

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.

There are no bonus shares issued, no shares issued for consideration other than cash and no shares bought back immediately preceding the reporting date from date of incorporation

### Capital management

The primary objective of the Company's capital management is to support business continuity and growth of the company while maximizing the shareholder value. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are generally met through operating cash flows generated.

**HCL Bermuda Limited**

**Notes to financial statements for the year ended 31 March 2018**

(All amounts in thousands except share data and as stated otherwise)

**2.7 Borrowings**

	As at		
	31 March 2018	31 March 2017	31 March 2018
	(USD)	(USD)	(₹)
<b>Unsecured</b>			
Loan from related party (Refer note 2.19)	21,500	-	1,401,316
	<b>21,500</b>	<b>-</b>	<b>1,401,316</b>

**2.8 Other financial liabilities**

	As at		
	31 March 2018	31 March 2017	31 March 2018
	(USD)	(USD)	(₹)
<b>Current</b>			
<b>Carried at amortized cost</b>			
Accrued salaries and benefits			
Salary Payable	133	188	8,679
<b>Others</b>			
Interest payable - related parties (Refer note 2.19)	12	-	772
Liabilities for expenses	0	31	0
Liabilities for expenses-related parties (Refer note 2.19)	30	7	1,965
	<b>175</b>	<b>226</b>	<b>11,416</b>

**2.9 Other current liabilities**

	As at		
	31 March 2018	31 March 2017	31 March 2018
	(USD)	(USD)	(₹)
Advance from related parties (Refer note 2.19)	-	5,353	-
	<b>-</b>	<b>5,353</b>	<b>-</b>

HCL Bermuda Limited  
Notes to financial statements for the year ended 31 March 2018  
(All amounts in thousands except share data and as stated otherwise)

**2.10 Other income**

	Year ended	Year ended	Year ended
	31 March 2018	31 March 2017	31 March 2018
	(USD)	(USD)	(₹)
Interest income - Related parties	429	362	27,942
Exchange differences (net)	139	-	9,086
Reversal of Provision for diminution in value of investment	201	-	13,081
Dividend income on trade investments	2,406	8,277	156,825
	3,175	8,639	206,934

**2.11 Employee benefits expense**

	Year ended	Year ended	Year ended
	31 March 2018	31 March 2017	31 March 2018
	(USD)	(USD)	(₹)
Salaries, wages and bonus	514	493	33,501
	514	493	33,501

**2.12 Finance cost**

	Year ended	Year ended	Year ended
	31 March 2018	31 March 2017	31 March 2018
	(USD)	(USD)	(₹)
Interest expenses-related parties	12	-	772
Bank charges	0	0	3
	12	0	775

**2.13 Other expenses**

	Year ended	Year ended	Year ended
	31 March 2018	31 March 2017	31 March 2018
	(USD)	(USD)	(₹)
Legal and professional charges	92	97	6,001
Exchange differences (net)	-	47	-
Miscellaneous expenses	-	4	-
	92	148	6,001

**2.14 Earnings Per unit**

The computation of earnings per unit is as follows:

	As at		
	31 March 2018	31 March 2017	31 March 2018
	USD	USD	(₹)
Net Profit as per Statement of Profit and Loss for computation of EPS	2,557	7,998	166,657
Average number of equity shares outstanding in calculating EPS	445,492,500	409,866,866	445,492,500
Weighted average number of equity shares outstanding in calculating EPS	445,492,500	445,492,500	445,492,500
Nominal value of equity shares	1	1	65.18
Earnings per equity share - Basic	0.01	0.02	0.37
Earnings per equity share - Diluted	0.01	0.02	0.37

**2.15 Payment to auditors**

	Year ended	Year ended	Year ended
	31 March 2018	31 March 2017	31 March 2018
	(USD)	(USD)	(₹)
Audit fees	31	31	2,007
	31	31	2,007

**2.16 Segment Reporting**

As the company's business activity falls within a single primary business segment viz "Investments and Income from Investments and operates in a single geography, there is no separable segment as envisaged in the Ind AS-108 "Operating Segments" notified under the Companies (Indian Accounting Standards) Rules, 2015, (as amended). Accordingly no disclosure for segment reporting have been included in these financial statements.

**2.17 Disclosure Diminution in Investments**

	As at		
	31 March 2018	31 March 2017	31 March 2018
	USD	USD	(₹)
HCL Expense Management Services Inc, United States of America	-	17,321	-
	-	17,321	-

**2.18 Financial Instruments****(a) Financial Assets and Liabilities**

The carrying value of Financial instruments by categories as at 31 March 2018 is as follows:

	Amortised Cost	Total carrying value	Amortised Cost	Total carrying value
	USD	USD	(₹)	(₹)
<b>Financial Assets</b>				
Investment	704,166	704,166	45,895,742	45,895,742
Cash and Cash equivalent	117	117	7,641	7,641
Loans	15,765	15,765	1,027,493	1,027,493
Others (Refer note 2.4)	720	720	46,916	46,916
<b>Total</b>	<b>720,768</b>	<b>720,768</b>	<b>46,977,792</b>	<b>46,977,792</b>
<b>Financial Liabilities</b>				
Borrowings	21,500	21,500	1,401,316	1,401,316
Others (Refer note 2.8)	175	175	11,416	11,416
<b>Total</b>	<b>21,675</b>	<b>21,675</b>	<b>1,412,732</b>	<b>1,412,732</b>

The carrying value of Financial instruments by categories as follows:

	As at 31 March 2017	
	Amortised Cost	Total carrying value
	USD	USD
<b>Financial Assets</b>		
Investment	681,478	681,478
Cash and Cash equivalent	416	416
Loans	19,583	19,583
Others (Refer note 2.4)	634	634
<b>Total</b>	<b>702,111</b>	<b>702,111</b>
<b>Financial Liabilities</b>		
Others (Refer note 2.8)	226	226
<b>Total</b>	<b>226</b>	<b>226</b>



**HCL Bermuda Limited**

Notes to financial statements for the year ended 31 March 2018

(All amounts in thousands except share data and as stated otherwise)

**2.18 Financial Instruments (continued)****Financial risk management**

The Company is exposed to market risk, credit risk and liquidity risk which may impact the fair value of its financial instruments.

**Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk and interest rate risk. The Company is primarily exposed to fluctuation in foreign currency exchange rates.

**(i) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in exchange rates. The Company's is primarily dealing in its functional currency and is not exposed significantly to change in foreign currency exchange rates.

The exchange rate risk primarily arises from assets and liabilities denominated in currencies other than foreign currency. An insignificant portion of the Company's revenue is in other foreign currency while a large portion of costs are in USD. The fluctuation in exchange rates in respect to USD may not have potential impact on the statement of profit and loss and equity.

Appreciation / depreciation of 1% in respective foreign currencies with respect to functional currency of the Company would result in decrease / increase in the Company's profit before tax by approximately USD 98 thousand for the year ended 31 March, 2018.

The rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 1% against the respective functional currencies of the Company and its branches. The sensitivity analysis presented above may not be representative of the actual change.

Non-derivative foreign currency exposure as of 31 March, 2018 and 31 March 2017 in major currencies is as below:

	Net financial assets		Net financial liabilities	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	(USD)	(USD)	(USD)	(USD)
INR/USD	35,484	35,650	46,881	47,068
GBP/USD	2,920	-	2,881	-
SGD/USD	2,878	100	393	131

**(ii) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's investments are primarily in fixed rate interest bearing investments. Hence the Company is not significantly exposed to interest rate risk.

**Credit risk**

Financial instruments that potentially subject the Company to concentration of credit risk consist principally of cash and bank balances, trade receivables, unbilled revenue, finance lease receivables. By their nature, all such financial instruments involve risks, including the credit risk of nonperformance by counterparties.

**Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with financial liabilities. The investment philosophy of the Company is capital preservation and liquidity in preference to returns. The Company consistently generates sufficient cash flows from operations and has access to multiple sources of funding to meet the financial obligations and maintain adequate liquidity for use.

**HCL Bermuda Limited**

Notes to financial statements for the year ended 31 March 2018

(All amounts in thousands except share data and as stated otherwise)

**2.19 Related parties****a) Related parties where control exists****Holding company**

HCL Technologies limited, India

**Subsidiaries Company**

HCL Technologies Middle East FZ-LLC

HCL America Inc.

HCL Technologies Romania S.R.L

HCL Hungry Kft.

HCL Technologies Austria GMBH

HCL Arabia LLC

HCL Technologies UK Ltd.

HCL Latin America Holding LLC

HCL Mexico de R.L.De

HCL Argentina s.a.

HCL (Brazil) Tecnologia da informacao Ltda.

HCL Technologies Finland Oy

HCL Technologies B.V.

HCL Technologies Germany GmbH

HCL Ireland Information Systems Ltd.

HCL Technologies Sweden AB

HCL Technologies Columbia S.A.S

HCL Technologies Italy S.P.A.

HCL Istanbul Bilisim Teknolojileri Limited Sirketi

HCL Technologies Greece

HCL Technologies SA

HCL Technologies Luxembourg SARL

HCL Technologies Beijing Co. Ltd.

HCL Technologies Egypt Limited

HCL Technologies Estonia OU

HCL Technologies (Thailand) Limited

HCL Poland Sp.z.o.o

HCL EAS Limited

HCL Technologies South Africa (Proprietary) Limited

HCL Axon Malaysia Sdn. Bhd.

Axon Solutions (Shanghai) Co. Ltd.

Axon Solutions Ltd.

HCL Technologies Chile Spa.

HCL Investments (UK) Ltd.

State Street HCL Holdings (UK) Ltd.

State Street HCL Services Philippines Inc.

State Street HCL Services India Pvt. Ltd.

HCL (New Zealand) Ltd.

HCL Hong Kong SAR Ltd.

HCL Global Processing Services Ltd. India

HCL Expense Management Services Inc. \*

HCL Japan Ltd.

HCL Australia Services Pty Ltd.

Axon Solution Pty. Ltd.

Butler America Aerospace LLC

PT. HCL Technologies Indonesia Ltd.

HCL Axon Technologies Inc.

HCL Sweden AB

HCL GMBH Germany

HCL Technologies Solutions Ltd.

HCL Italy SLR

HCL (Netherlands) BV

HCL Belgium NV

HCL America Solution Inc.

HCL Technologies (Taiwan) Ltd.

HCL Technologies Lithuania UAB

Concept2Silicon Systems Private Ltd.

HCL Muscat Technologies LLC

Powerteam LLC

Point to Point Limited

Point to Point Products Limited

Celeritifintech Limited

Celeritifintech Australia Pty Ltd

Celeritifintech USA Inc

Celeritifintech Italy SRL

HCL Technologies Czech Republic S.R.O.

Celeritifintech Germany GMBH

Celeritifintech Services Ltd.

HCL Great Britain Ltd.

HCL Technologies Denmark Aps

HCL Technologies Norway AS

HCL Technologies France

Axon Group Ltd. UK

HCL Technologies Philippines Inc.

Fillal Espanoia De HCL Technologies S.L

HCL Technologies Solutions GMBH

Anzospan Investments (Pty) Limited

HCL Axon (Proprietary) Limited

HCL Technologies Belgium BVBA

HCL Insurance BPO Services Ltd.

ETL Factory Limited #

HCL Technologies Corporate Services Limited #

HCL Mortgage Holdings LLC #

Urban Fulfillment Services LLC #

**b) Related Parties with whom transactions have taken place during the year**

HCL Latin America Holding

HCL Technologies UK Ltd.

HCL Technologies Middle East FZ-LLC

HCL Muscat Technologies LLC

HCL Singapore Pte Limited

HCL Exp. Manag. Ser. Inc

HCL EAS Limited

HCL EAS Limited

HCL Technologies Germany GMBH

HCL GREAT BRITAIN Ltd.

HCL Technologies limited

HCL Technologies Austria GmbH

HCL Technologies S.A.

HCL Technologies Colombia

\* HCL Expense Management Services Inc. got dissolved during the year.

# These entities are acquired/incorporated during the year.

**HCL Bermuda Limited**
**Notes to financial statements for the year ended 31 March 2018**
**(All amounts in thousands except share data and as stated otherwise)**
**c) Transactions with related parties during the year**
**(USD)**

	<b>Holding company</b>		<b>Subsidiaries</b>	
	<b>Year ended</b>		<b>Year ended</b>	
	<b>31 March 2018</b>	<b>31 March 2017</b>	<b>31 March 2018</b>	<b>31 March 2017</b>
Interest income	-	-	429	362
Dividend income	-	-	2,406	8,277
Interest expenses	-	-	12	-
Short term loan received	-	-	21,500	-
Investments made / (sale)	-	-	5,366	4,551
Reversal of Prov for diminution in value of investment	-	-	17,321	-
Short term loan given	-	-	681	13,500
Short term loan received back	-	-	4,500	5,000

**c) Transactions with related parties during the year**
**(`)**

	<b>Holding company</b>	<b>Subsidiaries</b>
	<b>Year ended</b>	
	<b>31 March 2018</b>	<b>31 March 2018</b>
Interest income	-	27,942
Dividend income	-	156,825
Interest expenses	-	772
Short term loan received	-	1,401,316
Investments made / (sale)	-	349,773
Reversal of Prov for diminution in value of investment	-	1,128,912
Short term loan given	-	44,386
Short term loan received back	-	293,299

**c) Outstanding balances with related parties**
**(USD)**

	<b>Holding company</b>		<b>Subsidiaries</b>	
	<b>Year ended</b>		<b>Year ended</b>	
	<b>31 March 2018</b>	<b>31 March 2017</b>	<b>31 March 2018</b>	<b>31 March 2017</b>
Loan and advances given	-	-	15,765	19,583
Interest receivable	-	-	563	484
Liabilities for expenses	30	-	-	7
Debtors for Expenses	-	-	157	150
Short term loan received	-	-	21,500	-
Interest payable	-	-	12	-
Other Advances received	-	-	-	5,353

**c) Outstanding balances with related parties**
**(`)**

	<b>Holding company</b>	<b>Subsidiaries</b>
	<b>Year ended</b>	
	<b>31 March 2018</b>	<b>31 March 2018</b>
Loan and advances given	-	1,027,493
Interest receivable	-	36,706
Liabilities for expenses	1,965	-
Debtors for Expenses	-	10,210
Short term loan received	-	1,401,316
Interest payable	-	772

HCL Bermuda Limited

Notes to financial statements for the year ended 31 March 2018

(All amounts in thousands except share data and as stated otherwise)

**3 Previous period / year comparatives**

The Company has changed its presentations from " USD in absolute amount" to " USD in thousands" and accordingly, amounts less than USD 0.50 thousands are rounded off to zero. Previous year figures have been regrouped/ reclassified to the current years classification wherever necessary.

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As per our report of even date

FOR S. R. BATLIBOI & CO. LLP

ICAI Firm Registration Number : 301003E/E300005

Chartered Accountants

SDI-

per Nilangshu Katriar  
Partner

Membership Number: 58814

Gurugram, India

Date: 10 August 2018

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

L. R. R.

Raghu Raman Lakshmanan  
Director

R. A.

Robin Abrams  
Director

Date: 10 August 2018