

HCL Technologies, S.A.

Standalone Financial Statement
Year ended 31 March 2019 and 2018

INDEPENDENT AUDITOR'S REPORT

To the Members of HCL Technologies, S.A

Opinion

We have audited the accompanying special purpose Ind AS financial statements of HCL Technologies, S.A ("the Company"), which comprise the Balance sheet as at March 31, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its losses, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the special purpose Ind AS financial statements in accordance with the Standards on Auditing (SAs), issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the special purpose Ind AS financial statements.

Responsibility of Management for the special purpose Ind AS Financial Statements

The Company's Board of Directors is responsible for the preparation of these special purpose Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.



Auditor's Responsibilities for the Audit of the special purpose Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose Ind AS financial statements, including the disclosures, and whether the special purpose Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



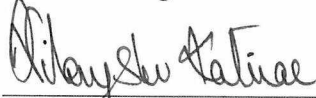
Other Matter

These special purpose Ind AS financial statements have been prepared in all material respects in accordance with the basis of preparation as set out in Note 1(a) to the Ind AS financial statements, which describes the basis of accounting and the related audit covered by the report was carried out following the generally accepted auditing principles in India. This report covering the financial statements of the Company for the year ended March 31, 2019 is intended for the information and use of the board of directors of the Company and HCL Technologies Limited, the ultimate holding company to comply with the financial reporting requirement in India. Use of these financial statements or the related audit report for any other purpose will be subject to the above explanation.

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**Per Nilangshu Katriar**

Partner

Membership Number: 58814

Place of Signature: Gurugram

Date: 28 June, 2019



HCL Technologies, S.A.

Balance Sheet as at 31 March 2019

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

	Note No.	As at 31 March 2019 (Refer note 1 (a)) (VES)	As at 31 March 2018 (Refer note 1 (a)) (VES)	As at 31 March 2019 (Refer note 1 (a)) (₹)
I. ASSETS				
(1) Current assets				
(a) Financial Assets				
(i) Trade receivables	2.1	124,473	784	2,616
(ii) Cash and cash equivalents	2.2	1,109	39	23
(iii) Others	2.3	64,825	93	1,362
(b) Other current assets	2.4	43	34	1
TOTAL ASSETS		190,450	950	4,002
II. EQUITY				
(a) Equity Share Capital	2.5	1,195	1,195	25
(b) Other Equity		(76,976)	(3,982)	(1,616)
III. LIABILITIES				
(1) Current liabilities				
(a) Financial Liabilities				
(i) Trade payables	2.6	221,168	3,028	4,648
(ii) Others	2.7	32,622	441	684
(b) Other current liabilities	2.8	12,441	268	261
TOTAL EQUITY AND LIABILITIES		190,450	950	4,002
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

Nilangshu Katriar

per Nilangshu Katriar

Partner

Membership Number: 58814

Gurugram, India

Date: 28 June 2019



For and on behalf of the Board of Directors

of HCL Technologies, S.A.

L R R

Raghu Raman Lakshmanan

Director

u/v

HCL Technologies, S.A.

Statement of Profit and Loss for the year ended 31 March 2019

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

	Note No.	Year ended 31 March 2019 (Refer note 1 (a)) (VES)	Year ended 31 March 2018 (Refer note 1 (a)) (VES)	Year ended 31 March 2019 (Refer note 1 (a)) (₹)
I Revenue				
Revenue from operations	2.9	2,550,216	50	53,596
Net monetary gain		-	2	-
Total income		2,550,216	52	53,596
II Expenses				
Purchase of stock in trade		46,272	1	972
Finance costs	2.10	6	0	0
Outsourcing costs		261,558	41	5,497
Net monetary loss		1,997,200	-	41,973
Other expenses	2.11	320,877	23	6,743
Total expenses		2,625,913	65	55,185
III Loss before tax		(75,697)	(13)	(1,589)
IV Tax expense		-	-	-
V Loss for the year		(75,697)	(13)	(1,589)
VI Other comprehensive income				
VII Total Comprehensive Loss for the year		(75,697)	(13)	(1,589)
Earnings per equity share of VES 1 each				
Basic	2.12	(30.30)	(0.01)	(0.64)
Diluted	2.12	(30.30)	(0.01)	(0.64)
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

Nilangshu Katriar
per Nilangshu Katriar
Partner

Membership Number: 58814

Gurugram, India

Date: 28 June 2019



For and on behalf of the Board of Directors
of HCL Technologies, S.A.

L R R.

Raghu Raman Lakshmanan
Director

WV

HCL Technologies, S.A.

Statement of Changes in Equity for the year ended 31 March 2019

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

	Share capital			Amount in VES
	Equity share	Equity share capital	Share application money pending allotment	Other equity Retained earning
Adjusted Balance as at 1 April 2017	2,498,644	6	-	(34)
Loss for the year	-	-	-	(13)
Other comprehensive income / (loss)	-	-	-	-
Total comprehensive income for the year	-	-	-	(13)
Inflation effect due to last year restatement	-	1,189	-	(3,935)
Balance as at 31 March 2018	2,498,644	1,195	-	(3,982)
Adjusted Balance as at 1 April 2018	2,498,644	1,195	-	(3,982)
Loss for the year	-	-	-	(75,697)
Other comprehensive income / (loss)	-	-	-	-
Total comprehensive income for the year	-	-	-	(75,697)
Inflation effect due to last year restatement	-	-	-	2,551
Share application money pending allotment	-	-	152	152
Balance as at 31 March 2019	2,498,644	1,195	-	(76,976)

	Share capital			Amount in ₹
	Equity share	Equity share capital	Share application money pending allotment	Other Equity Retained earning
Balance as at 1 April 2018	2,498,644	25	-	(84)
Loss for the year	-	-	-	(1,589)
Other comprehensive income / (loss)	-	-	-	-
Total comprehensive income for the year	-	-	-	(1,589)
Inflation effect due to last year restatement of monetary items	-	-	-	54
Share application money pending allotment	-	-	3	3
Balance as at 31 March 2019	2,498,644	25	-	(1,616)

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

Nilangshu Katriar
per Nilangshu Katriar
Partner

Membership Number: 58814

Gurugram, India

Date: 28 June 2019



For and on behalf of the Board of Directors
of HCL Technologies, S.A.

L. R. R.

Raghu Raman Lakshmanan
Director

WV

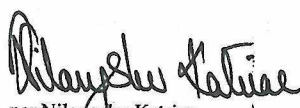
HCL Technologies, S.A.
Statement of cash flow for the year ended 31 March 2019
(All amounts in thousands except share data and as stated otherwise)

	Year ended '31 March 2019 (Refer note 1 (a)) (VES)	Year ended 31 March 2018 (Refer note 1 (a)) (VES)	Year ended '31 March 2019 (Refer note 1 (a)) (₹)
A. Cash flows from operating activities			
Loss before tax	(75,697)	(13)	(1,589)
Adjustment for:			
Non cash (benefits)/charges	0	0	0
Operating profit before working capital changes	(75,697)	(13)	(1,589)
Movement in Working Capital			
(Increase)/decrease in trade receivables	(124,468)	(4)	(2,619)
(Increase)/decrease in other financial assets and other assets	(64,872)	(85)	(1,363)
Increase/ (decrease) in trade payables	221,152	15	4,648
Increase/ (decrease) in other financial liabilities and other liabilities	44,803	2	942
Cash generated (used in)/ from operations	918	(85)	19
Direct taxes paid (net of refunds)	-	-	-
Net cash flow from/ (used in) operating activities	918	(85)	19
B. Cash flows / (used) from financing activities			
Proceeds from share application pending allotment	152	-	3
Net cash flow from financing activities (B)	152	-	3
Net increase / (decrease) in cash and cash equivalents	1,070	(85)	22
Cash and cash equivalents at the beginning of the year	39	124	1
Cash and cash equivalents at the end of the year as per note 2.2	1,109	39	23
Summary of significant accounting policies (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


per Nilangshu Katriar
Partner
Membership Number: 58814



Gurugram, India
Date: 28 June 2019

For and on behalf of the Board of Directors
of HCL Technologies, S.A.


Raghu Raman Lakshmanan
Director



HCL Technologies, S.A.

Notes to financial statements for the year ended 31 March 2019

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

ORGANIZATION AND NATURE OF OPERATIONS

HCL Technologies, S.A (herein after referred to as "Company") is a Business Transformation consultancy aiming to provide medium and large size organizations with Business Transformation solutions that encompasses all elements of Business Consulting, Solution Implementation and ongoing Application Management. The Company was incorporated on 20 November 2014.

The financial statements for the year ended 31 March, 2019 were approved and authorized for issue by the Board of Directors on 28 June 2019.

1. Summary of 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 from time to time) and presentation requirements of Schedule III (Division II) to the Companies Act, 2013, as applicable to the financial statements. These financial statements have been prepared on the request of the Ultimate Holding Company to comply with the financial reporting requirement in India.

The figures for the current year and previous year except for previous year figures of statement of profit and loss have been restated for the changes in the general purchasing power of the functional currency in agreement with Ind AS 29 "Financial Reporting in Hyperinflationary Economies". As per Ind AS 29, inflation rates can be considered in respect of any stable currency, hence these financials are prepared considering the inflation effect with USD.

As per Ind AS 29 only non-monetary items of the current year are restated from the date of origin in accordance with the conversion factors calculated in the current year, however both monetary and non-monetary items of the previous year are restated in accordance with the accumulated inflation of the current year to make both years comparable. Items of statement of profit and loss for the current year are also restated in accordance with the mid-month rates calculated and previous year figures are shown by eliminating five zeroes from reported figures for last year and the net effect is transferred to net monetary gain account. In the same way statement for cash flow is also prepared considering the restated figures of both the years.

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 VES. The translation from VES to ₹ is unaudited and is included solely for the convenience of readers in India and has been performed using rate of VES 1 = ₹ 0.0210, 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, VES 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, costs, 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 year in which the changes are made. Actual results could differ from those estimates.



HCL Technologies, S.A.

Notes to financial statements for the year ended 31 March 2019

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

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 and in the principal or most advantageous market for that asset or liability.

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 a 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:

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.

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) Revenue Recognition

Adoption of new accounting principles

Effective 1 April 2018, the Company has adopted Ind AS 115 using the cumulative effect method. The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information is not restated in the financial statement. The adoption of the standard did not have any material impact to the financial statements of the Company.

Contracts involving provision of services

Revenue is recognized when persuasive evidence of an arrangement exists, services have been rendered, the fee is determinable and collectability is reasonably assured. Contracts can be primarily categorized as time-and-material or fixed price contracts.

Time-and-material contracts

Revenue with respect to time-and-material contracts is recognized as the related services are performed. Revenue from product sales are shown net of sales tax and applicable 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.

Revenue is recognized net of discounts and allowances, value-added tax and service tax, and includes reimbursement of out-of-pocket expenses, with the corresponding out-of-pocket expenses included in cost of revenues.



HCL Technologies, S.A.

Notes to financial statements for the year ended 31 March 2019

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

e) 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.

f) Income Taxes

Income tax expense comprises current and deferred income tax.

Income tax expense is recognized in 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, as well as the related interest and penalties.

g) 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 assets 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.



HCL Technologies, S.A.

Notes to financial statements for the year ended 31 March 2019

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

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 net of directly attributable transaction costs.

Financial liabilities at amortized cost

The company's financial liabilities include trade 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.

h) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders 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 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.

i) 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 at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

j) 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.



HCL Technologies, S.A.

Notes to financial statements for the year ended 31 March 2019

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

k) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank, which are subject to an insignificant risk of changes in value.

l) Recently issued accounting pronouncements

Ind AS 116 Leases was notified in October 2018 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17.

The Company is currently evaluating the impact that the adoption of this new standard will have on its financial statements.



HCL Technologies, S.A.

Notes to the Financial Statements for the year ended 31 March 2019

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

2.1 Trade Receivable

	As at		
	31 March 2019	31 March 2018	31 March 2019
	(VES)	(VES)	(₹)
Current			
Unsecured considered good	124,473	784	2,616
Trade Receivables which have significant increase in credit Risk	-	-	-
Trade Receivables - credit impaired	-	-	-
	124,473	784	2,616
Impairment Allowance (allowance for bad and doubtful debts)			
Unsecured, considered good	-	-	-
Trade Receivables which have significant increase in credit Risk	-	-	-
Trade Receivables - credit impaired	-	-	-
	124,473	784	2,616

Note:-

Includes receivables from related parties amounting to 31 March 2019 , VES 93,216 (31 March 2018, VES 614). (Refer note 2.16(d))

2.2 Cash and cash equivalent

	As at		
	31 March 2019	31 March 2018	31 March 2019
	(VES)	(VES)	(₹)
Balance with banks			
- in current accounts	1,109	39	23
	1,109	39	23

2.3 Other Financial Assets

	As at		
	31 March 2019	31 March 2018	31 March 2019
	(VES)	(VES)	(₹)
Current			
Carried at amortized cost			
Unbilled receivable (Previous year- Unbilled revenue)	64,825	0	1,362
Unbilled receivable-related parties (Previous year- Unbilled revenue-related parties) (Refer note 2.16(d))	-	93	-
	64,825	93	1,362

2.4 Other current assets

	As at		
	31 March 2019	31 March 2018	31 March 2019
	(VES)	(VES)	(₹)
Others			
Other advances	43	34	1
	43	34	1



HCL Technologies, S.A.

Notes to the Financial Statements for the year ended 31 March 2019

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

2.5 Share Capital

	As at		
	31 March 2019	31 March 2018	31 March 2019
	(VES)	(VES)	(₹)
Authorized 2,498,644 common shares of VES 0.00001/- each (31 March 2018: 2,498,644 common shares of VES 0.00001/- each)	1,195	1,195	25
Issued, subscribed and fully paid up 2,498,644 common shares of VES 0.00001/- each (31 March 2018: 2,498,644 common shares of VES 0.00001/- each)	1,195	1,195	25

Terms/ rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of VES 0.00001. 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 reporting period

	As at			
	31 March 2019		31 March 2018	
	No. of shares	Amount (VES)	No. of shares	Amount (VES)
Number of shares at the beginning	2,498,644	1,195	2,498,644	1,195
Add: Shares issued during the year	-	-	-	-
Number of shares at the end	2,498,644	1,195	2,498,644	1,195

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

Name of the shareholder	As at			
	31 March 2019		31 March 2018	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Common shares of 0.00001 VES each, fully paid HCL Technologies UK Limited; the holding company	2,498,146	99.98%	2,498,146	99.98%

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

Name of the shareholder	As at			
	31 March 2019		31 March 2018	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Common shares of 0.00001 VES each, fully paid HCL Technologies UK Limited; the holding company	2,498,146	99.98%	2,498,146	99.98%

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 Technologies, S.A.

Notes to the Financial Statements for the year ended 31 March 2019

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

2.6 Trade payables

	As at		
	31 March 2019	31 March 2018	31 March 2019
	(VES)	(VES)	(₹)
Trade payables	46,326	-	974
Trade payables-related parties (Refer note 2.16 (d))	174,842	3,028	3,674
	221,168	3,028	4,648

2.7 Other Financial liabilities

	As at		
	31 March 2019	31 March 2018	31 March 2019
	(VES)	(VES)	(₹)
Current			
Carried at amortized cost			
Liabilities for expenses	32,475	0	681
Liabilities for expenses-related parties(Refer note 2.16 (d))	147	441	3
	32,622	441	684

2.8 Other current liabilities

	As at		
	31 March 2019	31 March 2018	31 March 2019
	(VES)	(VES)	(₹)
Withholding and other taxes payable	12,441	268	261
	12,441	268	261



HCL Technologies, S.A.

Notes to the Financial Statements for the year ended 31 March 2019

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

2.9 Revenue from operations

	Year ended 31 March 2019 (VES)	Year ended 31 March 2018 (VES)	Year ended 31 March 2019 (₹)
Sale of services	2,499,318	49	52,526
Sale of hardware and software	50,898	1	1,070
	2,550,216	50	53,596

2.10 Finance cost

	Year ended 31 March 2019 (VES)	Year ended 31 March 2018 (VES)	Year ended 31 March 2019 (₹)
Bank charges	6	0	0
	6	0	0

2.11 Other expenses

	Year ended 31 March 2019 (VES)	Year ended 31 March 2018 (VES)	Year ended 31 March 2019 (₹)
Legal and professional charges	147	7	3
Provision for doubtful debts/ bad debts written off	0	0	0
Exchange differences (net)	320,730	16	6,740
	320,877	23	6,743

2.12 Earnings per share (EPS)

	As At		As At
	31 March 2019 (VES)	31 March 2018 (VES)	31 March 2019 (₹)
Loss as per statement of profit and loss for computation of EPS	(75,697)	(13)	(1,589)
Weighted average number of equity shares outstanding in calculating basic and diluted EPS	2,498,644	2,498,644	2,498,644
Nominal value of equity shares	0.00001	0.00001	0.00001
Loss per equity share			
Basic	(30.30)	(0.01)	(0.64)
Diluted	(30.30)	(0.01)	(0.64)



HCL Technologies, S.A.

Notes to the Financial Statements for the year ended 31 March 2019

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

2.13 Financial Instruments

Financial Assets & Liabilities

The carrying value of financial instruments by categories as at 31 March, 2019 is as follows:-

	Amortized Cost	Total Carrying Value	Amortized Cost	Total Carrying Value
	(VES)	(VES)	(₹)	(₹)
Financial Assets				
Trade receivables	124,473	124,473	2,616	2,616
Cash and cash equivalents	1,109	1,109	23	23
Others (Refer Note 2.3)	64,825	64,825	1,362	1,362
Total	190,407	190,407	4,001	4,001
Financial Liabilities				
Trade payables	221,168	221,168	4,648	4,648
Others (Refer Note 2.7)	32,622	32,622	684	684
Total	253,790	253,790	5,332	5,332

Financial Assets & Liabilities

The carrying value of financial instruments by categories as at 31 March, 2018 is as follows:-

	Amortized Cost	Total Carrying Value
	(VES)	(VES)
Financial Assets		
Trade receivables	784	784
Cash and cash equivalents	39	39
Others (Refer Note 2.3)	93	93
Total	916	916
Financial Liabilities		
Trade payables	3,028	3,028
Others (Refer Note 2.7)	441	441
Total	3,469	3,469

(b) 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 exposure to the risk of changes in exchange rates relates primarily to the Company's operations.

The exchange rate risk primarily arises from assets and liabilities denominated in currencies other than functional currency. An insignificant portion of the Company's revenue is in other foreign currency while a large portion of costs are in VES. The fluctuation in exchange rates in respect to VES 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 VES 1,060 for the year ended 31 March, 2019.

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, 2019 and 31 March, 2018 in major currencies is as below:

	Net financial assets		Net financial liabilities	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	(VES)	(VES)	(VES)	(VES)
USD/VES	101,314	-	207,274	2,706



HCL Technologies, S.A.

Notes to the Financial Statements for the year ended 31 March 2019

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

2.13 Financial Instruments (continued)

(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 does not have any 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. By their nature, all such financial instruments involve risks, including the credit risk of nonperformance by counterparties.

The allowance for lifetime expected credit loss on customer balances is as below:

	As at	
	31 March 2019	31 March 2018
	(VES)	(VES)
Balance at the beginning of the year	-	10
Additional provision during the year	-	4
Deductions on account of write offs and collections/effect of exchange rate changes	-	(14)
Balance at the end of the year	-	-

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.

2.14 Financial Reporting in Hyperinflationary Economies

The financial statements of an entity whose functional currency is the currency of a hyperinflationary economy is required to prepare financial statement on basis of historical cost or current cost approach based on the measuring unit current at the end of the reporting period.

HCL Venezuela entity currency VES falls under hyperinflationary economy requiring reinstatement of financials based on general price Index for reinstatement of both monetary and non-monetary items. The government of Venezuela has abolished its currency Bolivar Sovereign (VEF) and introduced new currency Bolivar Soberano (VES) from mid of August 2018. On the date of introduction of new currency 'VES' the conversion rate was 100,000 VEF equals to 1 VES. The government of Venezuela however restricted the central bank of Venezuela to publish General price Index and freeze it to December 2015. Accordingly, we have used the exchange rate "Convenio Cambiario N° 33 (d)" published by Central Bank of Venezuela to work out the inflation rates to restate the financials from historical currency unit to current currency unit. Inflation rates for the period from April 2015 till March 2019 were taken to restate the figures.



HCL Technologies, S.A.

Notes to the Financial Statements for the year ended 31 March 2019

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

2.15 Segment Reporting

In the opinion of the management 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.

2.16 Related party transaction

a) Related parties where control exists

Ultimate Holding company

HCL Technologies limited

Holding company

HCL Technologies UK Limited

HCL Bermuda Ltd

b) Related Party where transactions have taken place during the period

Holding company

HCL Technologies UK limited

HCL Bermuda Ltd

Fellow Subsidiary

HCL America Inc.

HCL Technologies Austria

HCL Technologies France

HCL Technologies Sweden AB

HCL Technologies Colombia



HCL Technologies, S.A.

Notes to the Financial Statements for the year ended 31 March 2019

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

c) Transactions with related parties

Particulars	Outsourcing cost			Sale of services		
	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended
	31 March 2019	31 March 2018	31 March 2019	31 March 2019	31 March 2018	31 March 2019
	(VES)	(VES)	(₹)	(VES)	(VES)	(₹)
Ultimate Holding Companies	8	0	0	-	44	-
Holding Companies	-	17	-	-	-	-
Fellow Subsidiaries	83,218	24	1,749	84,959	2	1,785
Grand Total	83,226	41	1,749	84,959	46	1,785

Particulars	Purchase of stock in trade		
	Year ended	Year ended	Year ended
	31 March 2019	31 March 2018	31 March 2019
	(VES)	(VES)	(₹)
Ultimate Holding Companies	-	-	-
Holding Companies	-	-	-
Fellow Subsidiaries	-	0	-
Grand Total	-	0	-

d) Outstanding balances with related parties

Particulars	Trade Receivables			Liability for expenses		
	As at			As at		
	31 March 2019	31 March 2018	31 March 2019	31 March 2019	31 March 2018	31 March 2019
	(VES)	(VES)	(₹)	(VES)	(VES)	(₹)
Ultimate Holding Companies	3	577	397	-	-	-
Holding Companies	-	2	1	-	441	-
Fellow Subsidiaries	93,213	35	24	147	-	3
Grand Total	93,216	614	422	147	441	3

Particulars	Trade Payables			Unbilled Receivables		
	As at			As at		
	31 March 2019	31 March 2018	31 March 2019	31 March 2019	31 March 2018	31 March 2019
	(VES)	(VES)	(₹)	(VES)	(VES)	(₹)
Ultimate Holding Companies	4	2,04	0	-	93	-
Holding Companies	1	241	0	-	-	-
Fellow Subsidiaries	174,837	2,786	3,674	-	-	-
Grand Total	174,842	3,028	3,674	-	93	-



HCL Technologies, S.A.

Notes to the Financial Statements for the year ended 31 March 2019

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

3. Previous year comparatives

The Company has presented its financials in "VES in thousands" and accordingly, amounts less than VES 0.50 thousands are rounded off to zero. Previous year and current year figures are reclassified based on the inflation rates of Venezuela in comparison with the stable currency i.e USD.

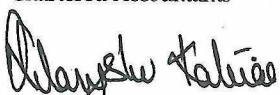
The accompanying notes are an integral part of the financial statements

As per our report of even date

FOR S. R. BATLIBOI & CO. LLP

ICAI Firm Registration Number: 301003E/E300005

Chartered Accountants


per Nilangshu Katriar
Partner


Membership Number: 58814



Gurugram, India

Date: 28 June 2019

For and on behalf of the Board of Directors
of HCL Technologies, S.A.


Raghu Raman Lakshmanan
Director

