c/c

HCL America Inc.

STANDALONE FINANCIAL STATEMENTS
For the year ended 31 March 2018 and 31 March 2017

S.R. BATLIBOI & CO. LLP
Chartered Accountants

Golf View Corporate Tower - B
Sector - 42, Sector Road
Gurugram - 122 002, Haryana, India
Tel : +91 124 464 4000
Fax : +91 124 464 4050

INDEPENDENT AUDITOR'S REPORT

To the Members of HCL America Inc.

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of HCL America Inc. ("the Company"), which comprise the Balance Sheet as at March 31, 2018, 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 a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the accounting and auditing standards We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view 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 financial controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements 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, 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

S.R. BATLIBOI & CO. LLP GURUGRAM

Other matters

This report covering the financial statements of the Company for the year ended March 31, 2018 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. These 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 financial statements of the company, 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. Use of these financial statements or the related audit report for any other purpose will be subject to the above explanation.

We report that the HCL America Inc. has merged HCL Axon Solutions Inc. (the wholly owned subsidiary) with effect from July 01, 2017, accordingly, in accordance with appendix C of Ind AS 103 - Business Combination, comparative numbers for last year is also restated as if the merger had occurred from the beginning of the preceding period in the financial statement. Further we report that the financial statement of HCL Axon Solutions Inc. for the year ended March 31, 2017 were unaudited and our opinion, in so far as it relates to amounts and disclosures included in respect of this merger, is based solely on such unaudited financial statements and other unaudited financial information, which have been furnished to us by the management. Our opinion in is not qualified in this respect.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Nilangshu Katriar
Partner
Membership Number: 58814

S.R. BATLIBOI & CO. LLP GURUGRAM

Place: Gurugram
Date: 10 August, 2018

HCL America Inc.
Balance Sheet as at 31 March 2018
(Amount in millions, except share and per share data)

	Note No.	As at 31 March 2018 (USD)	As at 31 March 2017 (USD)	As at 31 March 2018 (Refer note 1 (a)) (₹)
I. ASSETS				
(1) Non-current assets				
(a) Property, plant and equipment	3.1	59	46	3,862
(b) Capital work in progress		1	2	79
(c) Goodwill	3.2	297	297	19,354
(d) Other intangible assets	3.3	24	14	1,571
(e) Financial assets				
(i) Investments	3.4	157	144	10,227
(ii) Others	3.5	58	42	3,799
(f) Deferred tax assets (net)	3.25	22	49	1,456
(g) Other non-current assets	3.6	40	27	2,605
(2) Current assets				
(a) Inventories	3.7	7	10	478
(b) Financial assets				
(i) Trade receivables	3.8	604	568	39,340
(ii) Cash and cash equivalents	3.9	25	4	1,628
(iii) Loans	3.10	22	22	1,464
(iv) Others	3.5	227	215	14,695
(d) Other current assets	3.11	84	88	5,462
TOTAL ASSETS		1,627	1,528	106,020
II. EQUITY				
(a) Equity share capital	3.12	7	7	487
(b) Other equity		801	682	52,180
Equity attributable to shareholders of the Company		808	689	52,667
Non controlling interest		-	-	-
TOTAL EQUITY		808	689	52,667
III. LIABILITIES				
(1) Non - current liabilities				
(a) Financial Liabilities				
(i) Borrowings	3.13	5	4	316
(ii) Others	3.14	1	3	51
(b) Provisions	3.15	19	27	1,270
(c) Other non-current liabilities	3.16	11	9	700
(2) Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	3.13	24	25	1,557
(ii) Trade payables	3.17	369	340	24,038
(ii) Others	3.14	343	342	22,337
(b) Other current liabilities	3.18	31	52	2,023
(c) Provisions	3.15	16	37	1,061
TOTAL EQUITY AND LIABILITIES		1,627	1,528	106,020
Summary of significant accounting policies	1			

The accompanying notes are an integral part of 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: 10 August, 2018

For and on behalf of the Board of Directors of HCL America Inc.

C. Vijayakumar
Director

Robin Abrams
Director

Date: 10 August, 2018

HCL America Inc.

Statement of Profit and Loss for the year ended 31 March 2018

(Amount in millions, except share and per share data)

	Note No.	As at 31 March 2018 (USD)	As at 31 March 2017 (USD)	As at 31 March 2018 (Refer note 1 (a)) (₹)
I. Revenue				
Revenue from operations	3.19	3,682	3,539	239,997
Other income	3.20	45	51	2,939
Total Income		3,727	3,590	242,936
II Expenses				
Purchase of stock-in-trade		93	49	6,075
Changes in inventories of stock-in-trade	3.21	3	(5)	197
Employee benefits expense	3.22	1,462	1,351	95,273
Finance costs	3.23	3	6	180
Depreciation and amortisation expense	3.1 & 3.3	23	18	1,524
Outsourcing costs		1,832	1,841	119,379
Other expenses	3.24	154	169	10,081
Total expenses		3,570	3,429	232,709
III Profit before share of profit of associates and tax		157	161	10,227
IV Tax Expense				
Current tax	3.25	12	2	754
Deferred tax charge (credit)	3.25	27	22	1,788
Total tax expense		39	24	2,542
V Profit for the year		118	137	7,685
VI Other comprehensive income		-	-	-
VII Total other comprehensive income		-	-	-
VIII Total comprehensive income for the year		118	137	7,685
Profit for the year attributable to				
Shareholders of the Company		157	161	10,227
Non-controlling Interest		-	-	-
		157	161	10,227
Total comprehensive income for the year attributable to				
Shareholders of the Company		118	137	7,685
Non-controlling Interest		-	-	-
		118	137	7,685
Earnings per equity share of par value USD 1 each	3.26			
Basic		15.78	18.33	1,028.12
Diluted		15.78	18.33	1,028.12
Summary of significant accounting policies	1			

The accompanying notes are an integral part of 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: 10 August, 2018

S.R. BATLIBOI & CO. LLP GURUGRAM

For and on behalf of the Board of Directors of HCL America Inc.

C. Vijayakumar
Director

Robin Abrams
Director

Date: 10 August, 2018

HCL America Inc.

Statement of changes in equity for the year ended 31 March 2018

(Amount in millions, except share and per share data)

USD

Particulars	Equity share capital		Other equity			
	Shares	Share capital	Reserves and Surplus			Total
			Retained earnings	General Reserve	Securities premium	
Balance as at 1 April 2016	7,474,410	7	253	30	262	545
Profit for the year			137	-	-	137
Excess tax benefit from share-based payments			-	-	-	-
Total comprehensive income for the year			137	-	-	137
Balance as at 31 March 2017	7,474,410	7	390	30	262	682
Balance as at 1 April 2017	7,474,410	7	390	30	262	682
Profit for the year			118			118
Excess tax benefit from share-based payments			1			1
Total comprehensive income for the year			119	-	-	119
Balance as at 31 March 2018	7,474,410	7	509	30	262	801

(₹)

Particulars	Equity share capital		Other equity			
	Shares	Share capital	Reserves and Surplus			Total
			Retained earnings	General Reserve	Securities premium	
Balance as at 1 April 2016	7,474,410	487	16,511	1,950	17,093	35,554
Profit for the year			8,951			8,951
Excess tax benefit from share-based payments						-
Total comprehensive income for the year			8,951	-	-	8,951
Balance as at 31 March 2017	7,474,410	487	25,462	1,950	17,093	44,505
Balance as at 1 April 2017	7,474,410	487	25,462	1,950	17,093	44,505
Profit for the year			7,685			7,685
Excess tax benefit from share-based payments			(10)			(10)
Total comprehensive income for the year			7,675	-	-	7,675
Balance as at 31 March 2018	7,474,410	487	33,137	1,950	17,093	52,180

Summary of significant accounting policies 1

The accompanying notes are an integral part of financial statements

As per our report of even date

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

per Nilanjshu Katriar
Partner
Membership Number: 58814

Gurugram, India
Date: 10 August, 2018

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

For and on behalf of the Board of Directors of HCL America Inc.

C. Vijayakumar
Director

Robin Abrams
Director

Date: 10 August, 2018

HCL America Inc.

Statement of Cash flows

(Amount in millions, except share and per share data)

	As at 31 March 2018 (USD)	As at 31 March 2017 (USD)	As at 31 March 2018 (Refer note 1 (a)) (₹)
A. Cash flows from operating activities			
Profit before tax	157	161	10,227
Adjustment for:			
Depreciation and amortization	23	18	1,524
Interest income	(1)	(4)	(49)
Interest expenses	2	5	145
Dividend income from subsidiaries	(43)	(39)	(2,796)
Loss on sale of property, plant and equipment (net)	0	1	9
Share of (profit) loss in limited liability partnership	(0)	-	(21)
Provision for doubtful debts/(Bad debts written back)	4	(6)	292
Other non cash (benefits) charges (net)	1	1	33
Operating profit before working capital changes	143	137	9,364
Movement in working capital :			
(Increase) decrease in trade receivables	(40)	35	(2,609)
(Increase) decrease in inventories	3	(5)	197
(Increase) decrease in other financial assets and other assets	(28)	60	(1,841)
Increase (decrease) in trade payables	29	62	1,869
Increase (decrease) in provisions, other financial liabilities and other liabilities	(29)	(57)	(1,870)
Cash generated from operations	78	232	5,110
Direct taxes paid (net of refunds)	(37)	(27)	(2,402)
Net cash flow from operating activities (A)	41	205	2,708
B. Cash flows from investing activities			
Payments for business acquisitions, net of cash acquired	(13)	(83)	(841)
Investment in limited liability partnership	0	(1)	15
Proceeds from loans extended to group company	15	64	949
Loans extended to group company	(15)	(45)	(991)
Purchase of Licensed IPRs	(10)	(4)	(652)
Purchase of property, plant and equipment and intangibles, including capital work in progress and capital advances	(34)	(33)	(2,243)
Proceeds from sale of property, plant and equipment	1	3	66
Dividend received from subsidiaries	43	39	2,796
Interest received	0	4	14
Net cash flow used in investing activities (B)	(13)	(56)	(887)
C. Cash flows from financing activities			
Principal proceeds on finance lease obligations, net	1	(11)	88
Repayment of unsecured loan	(4)	(14)	(231)
Proceeds from loans taken from group companies	55	216	3,591
Repayment of loans taken from group companies	(55)	(330)	(3,601)
Payment for deferred consideration on business acquisition	(2)	(6)	(161)
Interest paid	(2)	(5)	(140)
Net cash flow (used in)/ from financing activities (C)	(7)	(150)	(454)
Net increase (decrease) in cash and cash equivalents (A+B+C)	21	(1)	1,367
Cash and cash equivalents at the beginning of the year	4	5	261
Cash and cash equivalents at the end of the period as per note 3.9	25	4	1,628

Summary of significant accounting policies (Note 1)

Notes:

1. The total amount of income taxes paid is USD 37 (₹ 2,402) (31 March 2017: USD 27)

The accompanying notes are an integral part of 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: 10 August, 2018

S.R. BATLIBOI & CO. LLP GURUGRAM

For and on behalf of the Board of Directors of HCL America Inc.

C. Vijayakumar
Director

Robin Abrams
Director

Date: 10 August, 2018

HCL America Inc.
Notes to financial statements for the year ended 31 March 2018
(Amount in millions, except share and per share data)

ORGANIZATION AND NATURE OF OPERATIONS

HCL America Inc., USA (hereinafter referred to as 'the Company'), is primarily engaged in providing a range of software services, business process outsourcing and IT infrastructure services. The Company was incorporated in USA in November 1988 having its registered office at 330, Potrero Avenue, Sunnyvale, California 94085. The Company leverages an extensive onshore infrastructure and its global network of offices in various countries and professionals to deliver solutions across selected verticals including financial services, manufacturing (automotive, aerospace, hi-tech and semi-conductors) telecom, retail and consumer packaged goods services, media, publishing and entertainment, public services, energy and utility, healthcare and travel, transport and logistics.

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.

HCL Axon Solution Inc. has been merged with HCL America Inc. with effect from 1st July 2017, being 100% subsidiary of HCL America Inc. The comparative numbers for last year is also presented for merged entity i.e. including financials of HCL Axon Solutions Inc.

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.

These financial statements have been prepared under the historical cost convention on an accrual and going concern basis except for certain financial assets and liabilities 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.

Accounting policies adopted in the preparation of these financial statements are consistent with those of the previous year.

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 = ₹65.18/- 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 consolidated financial statements in conformity with Ind AS requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses and other comprehensive income (OCI) that are reported and disclosed in the consolidated financial statements and accompanying notes. These estimates are based on the management's best knowledge of current events, historical experience, actions that the Company may undertake in the future and on various other assumptions that are believed to be reasonable under the circumstances. Significant estimates and assumptions are used for, but not limited to, accounting for costs expected to be incurred to complete performance under fixed price projects, allowance for uncollectible accounts receivables, accrual of warranty costs, income taxes, valuation of share-based compensation, future obligations under employee benefit plans, the useful lives of property, plant and equipment, intangible assets, impairment of goodwill, and other contingencies and commitments. Changes in estimates are reflected in the consolidated financial statements in the year in which the changes are made. Actual results could differ from those estimates.

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

c) Business combination and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is the aggregate of the consideration transferred measured at fair value at the acquisition date and the amount of any non controlling interest in the acquiree. For each business combination, the Company measures the non-controlling interest in the acquiree at fair value. Acquisition related costs are expensed as incurred.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as financial liability is measured at fair value with changes in fair value recognized in the statement of profit and loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the excess is recognized as capital reserve after reassessing the fair values of the net assets.

d) Foreign currency and translation

The financial statements of the company are presented in its functional currency USD. For each foreign operation, the company determines the functional currency which is its respective local currency.

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

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

The translation of foreign operations from respective functional currency into INR (the reporting currency) for assets and liabilities is performed using the exchange rates in effect at the balance sheet date, and for revenue, expenses and cash flows is performed using an appropriate daily weighted average exchange rate for the respective years. The exchange differences arising on translation for consolidation are reported as a component of 'other comprehensive income (loss)'. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognized in the statement of profit and loss.

e) Fair value measurement

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

The Company holds certain fixed income securities, equity securities and derivatives, which must be measured using the guidance for fair value hierarchy and related valuation methodologies. The guidance 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.

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

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 nonfinancial assets such as goodwill and intangible assets. Goodwill and intangible assets recognized in business combinations are measured at fair value initially and subsequently when there is an indicator of impairment, the impairment is recognized.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant who would use the asset in its highest and best use.

f) Revenue recognition

Contracts involving provision of services

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.

Fixed Price contracts

Revenue related to contracts providing maintenance and support services, is recognized over the term of the contract where the Company has continuing obligation.

Revenue from technology integration and complex network building contracts is recognized in accordance with the Percentage-Of-Completion (POC) method. Under the POC method, progress towards completion is measured based on either achievement of specified contract milestones, cost incurred as a proportion of estimated total cost or other measures of progress when available. If circumstances arise that change the original estimates of revenues, costs, or extent of progress towards completion, revisions are made to the estimates. These revisions may result in increase or decrease in estimated revenues or costs, and such revisions are reflected in income in the year in which the circumstances that gave rise to the revision become known to the management. Provisions for estimated losses, if any, on contracts-in-progress are recorded in the period in which such losses become probable based on the current cost estimates. Contract losses are determined to be the amount by which the estimated total cost to complete exceeds the estimated total revenue that will be generated by the contract and are included in cost of services and classified in other accrued liabilities.

In arrangements involving sharing of customer revenues, revenue is recognized when the amounts are known and the right to receive is established. Incremental revenue from existing contracts arising on future sales to the customers is recognized when it is earned and collectability is reasonably assured.

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

Revenues from unit-priced contracts are recognized as transactions are processed, based on objective measures of output.

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.

Multiple-element arrangements

When a sales arrangement contains multiple elements, such as services, hardware and software products and licenses, revenue for each element is determined based on its fair value.

Revenue recognition for delivered elements is limited to the amount that is not contingent on the future delivery of products or services, future performance obligations or subject to customer-specified return or refund privileges.

Revenue from activities in transition services not having standalone value in outsourcing arrangements is deferred and recognized over the period of the arrangement. Direct and incremental costs in relation to such an arrangement are also deferred to the extent of revenue. Certain upfront nonrecurring contract acquisition costs incurred in the initial phases of outsourcing contracts are deferred and amortized usually on a straight line basis, over the term of the contract unless revenues are earned and obligations are fulfilled in a different pattern. The undiscounted cash flows from the arrangement are periodically estimated and compared with the unamortized costs. If the unamortized costs exceed the undiscounted cash flow, a loss is recognized.

In instances when revenue is derived from sales of third-party vendor services, material or licenses, revenue is recorded on a gross basis when the Company is a principal to the transaction and net of costs when the Company is acting as an agent between the customer and the vendor. Several factors are considered to determine whether the Company is a principal or an agent, most notably whether the Company is the primary obligor to the customer, has established its own pricing, and has inventory and credit risks.
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.

Revenue from financing leases is recognized when risk of loss has been transferred to the client and there are no unfulfilled obligations that affect the final acceptance of the arrangement by the client. Revenue from operating leases is accounted on a straight-line basis as service revenue over the rental period. Interest attributable to financing leases included therein is recognized on an accrual basis using the effective interest method.

Interest Income

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

g) Income taxes

Income tax expense comprises current and deferred income tax.

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

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

Deferred income tax assets and liabilities recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets and liabilities are recognized for those temporary differences which originate during the tax holiday period are reversed after the tax holiday period. For this purpose, reversal of timing differences is determined using first-in-first-out method.

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

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

The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the year that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

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

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

h) Property, plant and equipment

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

All other expenses on existing property, plant and equipment, including day-to-day repairs, maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

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

Property, plant and equipment under construction and cost of assets not ready for use at the year-end are disclosed as capital work- in- progress.

Depreciation on property, plant and equipment is provided on the straight-line method over their estimated useful lives, as determined by the management. Depreciation is charged on a pro-rata basis for assets purchased/sold during the year/period.

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

The management's estimates of the useful lives of various assets for computing depreciation are as follows:

Asset description	Asset life (in years)
Buildings	20
Plant and machinery (including air conditioners, electrical installations)	10
Office equipment	5
Computers and networking equipment	4-5
Furniture and fixtures	7
Vehicles - owned	5

The useful lives as given above best represent the period over which the management expects to use these assets, based on technical assessment. The estimated useful lives for these assets are therefore different from the useful lives prescribed under Part C of Schedule II of the Companies Act 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

i) Intangibles assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

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

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

The intangible assets are amortized over the estimated useful life of the assets as under:

Asset description	Asset life (in years)
Software	3
Licensed IPRs	5-15

j) Research and development costs

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

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

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected

S.R. KATLIBOI & CO. LLP GURUGRAM

future benefit. Amortization expense is recognized in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

k) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

l) Leases

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Leases in which the Company transfers substantially all the risk and benefits of ownership of the asset are classified as finance leases. Assets given under finance lease are recognized as a receivable at an amount equal to the net investment in the leased assets. After initial recognition, the Company apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance leases. The interest income is recognized in the statement of profit and loss. Initial direct costs such as legal cost, brokerage cost etc. are recognized immediately in the statement of profit and loss.

m) Inventory

Stock in trade, stores and spares are valued at the lower of the cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Cost of stock in trade procured for specific projects is assigned by identification of individual costs of each item. Cost of stock in trade, that are interchangeable and not specific to any project and cost of stores and spare parts are determined using the weighted average cost formula.

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

n) Impairment of non-financial assets

Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Company's cash generating units (CGU) expected to benefit from the synergies arising from the business combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU. Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU, pro-rata on the basis of the carrying amount of each asset in the CGU.

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

Intangible assets and property, plant and equipment

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

o) 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.

p) Retirement and other employee benefits

i. State plans: The Company has a saving and Investment Plan under Section 401(k) of the Internal Revenue Code of the United States of America. This is a defined contribution plan. Contributions are charged to Profit and Loss Account in the period in which they accrue.

ii. Compensated absences: The employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation
(using the Projected Unit Credit method) based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the balance sheet date. Accumulated leave, which is expected to be utilized within the next 12 months, is treated as a short-term employee benefit and accumulated leave expected to be carried forward beyond twelve months is treated as a long-term employee benefit for measurement purposes. The expense on non-accumulating compensated absences is recognized in the period in which the absences occur. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

q) 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.

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

(i) Financial assets

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

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

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 finance income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss. This category generally applies to trade and other receivables.

Financial instruments at Fair Value through Other Comprehensive Income
A 'financial instrument' is classified and measured at fair value through OCI if both of the following criteria are met:
a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The asset's contractual cash flows represent solely payments of principle and interest.

Financial instruments included within the OCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from OCI to statement of profit and loss.

Financial instruments at Fair Value through Profit and loss
Any financial instrument, which does not meet the criteria for categorization at amortized cost or at fair value through other comprehensive income, is classified at fair value through profit and loss. Financial instruments included in the fair value through profit and loss category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investments
Equity investments in subsidiaries and investments for which sufficient more recent information to measure fair value are not available are measured at cost. Other equity investments in scope of Ind AS 109 are measured at fair value through profit and loss. Contingent considerations recognized by an acquirer in a business combination to which Ind AS 103 applies are classified as at fair value through profit and loss.

Equity instruments included within the fair value through profit and loss category are measured at fair value with all changes recognized in the statement of profit and loss.

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

BATLIBOI & CO. LLP * GURUGRAM *

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 the 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 and derivative financial instruments.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Method(EIR) method. Gains and losses are recognized in statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

(iii) Derivative financial instruments and hedge accounting

Foreign exchange forward contracts and options are purchased to mitigate the risk of changes in foreign exchange rates associated with forecast transactions denominated in certain foreign currencies.

The Company recognizes all derivatives as assets or liabilities measured at their fair value. Changes in fair value for derivatives not designated in a hedge accounting relationship are marked to market at each reporting date and the related gains (losses) are recognized in the statement of profit and loss as 'foreign exchange gains (losses)'.

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

In respect of derivatives designated as hedges, the Company formally documents all relationships between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Company also formally assesses both at the inception of the hedge and on an ongoing basis, whether each derivative is highly effective in offsetting changes in fair values or cash flows of the hedged item. Hedge accounting is discontinued prospectively from the last testing date when (1) it is determined that the derivative financial instrument is no longer effective in offsetting changes in the fair value or cash flows of the underlying exposure being hedged; (2) the derivative financial instrument matures or is sold, terminated or exercised; or (3) it is determined that designating the derivative financial instrument as a hedge is no longer appropriate. When hedge accounting is discontinued the deferred gains or losses on the cash flow hedge remain in 'other comprehensive income (loss)' until the forecast transaction occurs. Any further change in the fair value of the derivative financial instrument is recognized in current year earnings.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis to realize the assets and settle the liabilities simultaneously.

r) Dividend

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

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

s) *Earnings per share (EPS)*

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

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 of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

t) 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.

Ind AS 115, Revenue from Contract with Customers

Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard Ind AS 18 Revenue, Ind AS 11 Construction Contracts. The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The core principle of Ind AS 115 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Under Ind AS 115, an entity recognizes revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The standard permits two possible methods of transition:

- Retrospective approach-Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

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

S.R. BATLIBOI & CO. LLP
GURUGRAM

2. ACQUISITIONS/ ARRANGEMENTS

(a) Acquisitions/ Arrangements in the current year

Urban Fulfillment Services LLC

On 24 August 2017, the Company through a wholly owned subsidiary, HCL Mortgage Holding, LLC has entered into an agreement to acquire 100% outstanding capital units of Urban Fulfillment Services, LLC (UFS), a provider of mortgage business process and fulfilment services to its customers. Subsequently, 24.54% holding of Urban Fulfillment Services, LLC (UFS) is transferred from HCL Mortgage Holding Inc. to HCL America Inc., now HCL Mortgage Holding Inc. holds 75.46% outstanding capital units of Urban Fulfillment Services, LLC (UFS).

(b) Acquisitions/ Arrangements in the previous year

Butler America Aerospace LLC

On 3 January 2017, the Company entered into an agreement to acquire 100% shareholding of Butler America Aerospace, LLC (Butler Aerospace), a provider of engineering, design services and aftermarket engineering services to US Aerospace and Defense customers. The acquisition will bolster Company's capabilities in engineering services and access to clients with large R&D spends.

The total purchase consideration is USD 82.98 which has been paid through March 31, 2017.

In addition to the purchase consideration, USD 2.5 is payable to certain key employees over a three year period. Payment of this amount is contingent upon achieving certain specified performance conditions and these employees continuing to be the employees of the subsidiary on the payment date. This consideration is being accounted for as post acquisition employee compensation expense.
The purchase consideration has been allocated preliminarily based on management's estimates. The Company is in the process of making a final determination of the fair value of assets and liabilities. Finalization of the purchase price allocation may result in certain adjustments to the above allocation.

Notes to financial statements

3.1 Property, plant and equipment

The changes in the carrying value for the year ended 31 March 2018

Particulars	Freehold land	Building	Plant and machinery	Office equipment	Computers	Furniture and fittings	Vehicles	Total (USD)
Gross Block as at 1 April 2017	1	10	7	6	63	12	0	99
Additions	-	-	1	1	28	1	-	31
Disposals	-	-	0	0	7	0	-	7
Gross Block as at 31 March 2018	1	10	8	7	84	13	0	123
Accumulated Depreciation as at 1 April 2017	-	4	6	4	33	6	0	53
Charge for the year	-	0	0	1	15	1	-	17
Deduction/Other Adjustments	-	-	0	0	6	0	-	6
Accumulated Depreciation as at 31 March 2018	-	4	6	5	42	7	0	64
Net Block as at 31 March 2018	1	6	2	2	42	6	-	59
Net Block as at 31 March 2017	1	6	2	2	30	6	-	46

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

HCL America Inc.
Notes to financial statements for the year ended 31 March 2018
(Amount in millions, except share and per share data)

The changes in the carrying value for the year ended 31 March 2017

Particulars	Freehold land	Building	Plant and machinery	Office equipment	Computers	Furniture and fittings	Vehicles	Total (USD)
Gross Block as at 1 April 2016	1	10	12	6	52	10	0	90
Additions	-	-	0	0	16	2	-	18
Disposals	-	-	5	0	5	0	-	10
Gross Block as at 31 March 2017	1	10	7	6	63	12	0	98
Accumulated Depreciation as at 1 April 2016	-	4	6	3	27	5	0	45
Charge for the year	-	0	0	1	11	1	-	13
Deduction/Other Adjustments	-	-	1	0	5	0	-	6
Accumulated Depreciation as at 31 March 2017	-	4	5	4	33	6	0	52
Net Block as at 31 March 2017	1	6	2	2	30	6	-	46
Net Block as at 31 March 2016	1	7	6	3	25	5	-	45

Particulars	Freehold land	Building	Plant and machinery	Office equipment	Computers	Furniture and fittings	Vehicles	Total (₹)
Gross Block as at 1 April 2017	66	630	456	397	4,082	780	1	6,412
Additions	-	-	44	62	1,875	68	-	2,049
Disposals	-	-	0	4	436	28	-	468
Gross Block as at 31 March 2018	66	630	500	455	5,521	820	1	7,993
Accumulated Depreciation as at 1 April 2017	-	233	364	262	2,126	403	1	3,389
Charge for the year	-	32	13	71	945	74	-	1,135
Deduction/Other Adjustments	-	-	0	1	367	25	-	393
Accumulated Depreciation as at 31 March 2018	-	265	377	332	2,704	452	1	4,131
Net Block as at 31 March 2018	66	365	123	123	2,817	368	-	3,862
Net Block as at 31 March 2017	66	397	92	135	1,956	377	-	3,023

3.2 Goodwill

The changes in the carrying value of goodwill balances by reportable segment, for the year ended 31 March 2018

Particulars	Software Services	Total (USD)
Opening balance as at 1 April 2017	297	297
Acquisition through business combination	-	-
Closing balance as at 31 March 2018	297	297

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

The changes in the carrying value of goodwill balances by reportable segment, for the year ended 31 March 2017

Particulars	Software Services	Total (USD)
Opening balance as at 1 April 2016	297	297
Acquisition through business combination		
Trygstad Technical Services Inc.	(0)	(0)
Gross Block as at 31 March 2017	297	297

Particulars	Software Services	Total (₹)
Opening balance as at 1 April 2017	19,354	19,354
Acquisition through business combination	-	-
Closing balance as at 31 March 2018	19,354	19,354

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the cash generating units (CGU) which benefit from the synergies of the acquisition.

Goodwill is tested for impairment at least annually. Impairment is recognised, if present value of the future cash flows is less than the carrying value of goodwill. Future cash flows are forecast for 5 years and then on perpetuity on the basis of certain assumptions which includes revenue growth, earnings before interest and taxes, taxes, capital outflow and working capital requirements. The assumptions are taken on the basis of past trends and management estimates and judgement. Future cash flows are discounted with "Weighted Average Cost of Capital". The key assumptions are as follows:

	As at	
	31 March 2018	31 March 2017
Terminal growth rate (%)	4.00	4.00
Discount rate (%)	7.07	6.43

As at 31 March 2018 and 31 March 2017 the estimated recoverable amount of the CGU exceeded its carrying amount and accordingly, no impairment was recognized.

3.3 Other Intangible assets

The changes in the carrying value for the year ended 31 March 2018

Intangible Assets	Software	Intellectual property rights	Total (USD)
Gross Block as at 01 April 2017	34	6	40
Additions	6	10	16
Disposals	1	-	1
Gross Block as at 31 March 2018	39	16	55
Accumulated amortization as at 01 April 2017	24	2	26
Charge for the year	5	1	6
Deduction/Other Adjustments	1	-	1
Accumulated amortization as at 31 March 2018	28	3	31
Net Block as at 31 March 2018	11	13	24
Net Block as at 31 March 2017	10	4	14

BATLIBOI & CO. LLP * GURUGRAM *

HCL America Inc.
Notes to financial statements for the year ended 31 March 2018
(Amount in millions, except share and per share data)

The changes in the carrying value for the year ended 31 March 2017

tangible Assets	Software	Intellectual property rights	Total (USD)
Gross Block as at 01 April 2016	26	2	28
Additions	8	4	12
Disposals	0	-	0
Gross Block as at 31 March 2017	34	6	40
Accumulated amortization as at 01 April 2016	21	1	22
Charge for the year	3	1	4
Deduction/Other Adjustments	0	-	0
Accumulated Depreciation as at 31 March 2017	24	2	26
Net Block as at 31 March 2017	10	4	14
Net Block as at 31 March 2016	5	1	6

Intangible Assets	Software	Intellectual property rights	Total (₹)
Gross Block as at 01 April 2017	2,221	382	2,603
Additions	409	652	1,061
Disposals	94	-	94
Gross Block as at 31 March 2018	2,536	1,034	3,570
Accumulated amortization as at 01 April 2017	1,594	104	1,698
Charge for the year	291	104	395
Deduction/Other Adjustments	94	-	94
Accumulated amortization as at 31 March 2018	1,791	208	1,999
Net Block as at 31 March 2018	745	826	1,571
Net Block as at 31 March 2017	627	278	905

S. SATLIBOI & CO. LLP * GURUGRAM *

HCL America Inc.
Notes to financial statements for the year ended 31 March 2018
(Amount in millions, except share and per share data)

3.4 Investments

	As at		
	31 March 2018 (USD)	31 March 2017 (USD)	31 March 2018 (Refer note 1(a)) (₹)
Financial assets			
Non-current			
Unquoted investments			
Equity Investment in subsidiary companies carried at cost (fully paid up)			
10,568,334 (previous year: 10,568,334) equity shares of GBP 1 each, in HCL Great Britain Limited	17	17	1,077
1,050,100 (previous year: 1,050,100) equity shares of INR 10 each, in HCL Technologies Solutions Limited	0	0	15
20,000,000 (previous year: 20,000,000) equity shares of EUR 0.0005165 each, in HCL Italy S.R.L.	4	4	262
10 (previous year: 10) equity shares of USD 1,000 each, in HCL America Solution Inc.	0	0	1
8,110,000 (previous year: 8,110,000) equity shares of GBP 1 each, in HCL Insurance BPO Services Limited	0	0	1
Investment in Butler America Aerospace LLC	83	83	5,410
250 (previous year: 250) equity shares of USD 5 each , in Power Team LLC	36	36	2,347
10,000 membership units of USD 1000 each in HCL Mortgage Holding LLC	10	-	650
Investment in Urban Fulfillment Services LLC	3	-	189
Equity Investment in fellow subsidiary companies (fully paid up)			
756,320 (previous year: 756,320) equity shares of ARS 1 each, in HCL Argentina S.A.	0	0	8
1 (previous year: 1) equity shares of MXN 1 each, in HCL Technologies Mexico S.DE.R.L.DE.C.V.	0	0	0
	153	140	9,960
Investment in Joint Venture carried at fair value through profit or loss			
Investment in Morado Venture Partners II, L.P.	4	4	246
Share of profit(loss) in limited liability partnership	0	0	21
	4	4	267
Total investments – financial assets	157	144	10,227
Aggregate amount of unquoted investments	157	144	10,227
Equity instruments carried at cost	153	140	9,960
Investment carried at fair value through profit and loss	4	4	267

S R BATLIBOI & CO. LLP * GURUGRAM *

HCL America Inc.
Notes to financial statements for the year ended 31 March 2018
(Amount in millions, except share and per share data)

3.5 Other financial assets

	As at		
	31 March 2018 (USD)	31 March 2017 (USD)	31 March 2018 (Refer note 1(a)) (₹)
Non-Current			
Carried at amortized cost			
Finance lease receivables (refer note 3.27 (iii))	41	16	2,647
Security Deposits	1	1	67
Other receivables	16	25	1,085
	58	42	3,799
Current			
Carried at amortized cost			
Unbilled revenue	174	176	11,233
Unbilled revenue-related parties (refer note 3.30)	22	16	1,444
Interest receivable-related parties (refer note 3.30)	1	0	38
Security deposits	1	2	83
Finance lease receivables (refer note 3.27 (iii))	29	21	1,897
	227	215	14,695

3.6 Other non-current assets

	As at		
	31 March 2018 (USD)	31 March 2017 (USD)	31 March 2018 (Refer note 1(a)) (₹)
Unsecured considered good unless otherwise stated			
Capital advances	0	0	24
Others			
Prepaid expenses	19	6	1,190
Deferred cost	20	21	1,311
Deferred cost-related parties (refer note 3.30 (e))	1	0	80
	40	27	2,605

3.7 Inventories

	As at		
	31 March 2018 (USD)	31 March 2017 (USD)	31 March 2018 (Refer note 1(a)) (₹)
Stock-in-trade	7	10	478
	7	10	478

3.8 Trade receivables

	As at		
	31 March 2018 (USD)	31 March 2017 (USD)	31 March 2018 (Refer note 1(a)) (₹)
Unsecured, considered good (refer note below)	604	568	39,340
Unsecured, considered doubtful	5	9	351
	609	577	39,691
Provision for doubtful receivables	(5)	(9)	(351)
	604	568	39,340

BATLIBOI & CO. LLP * GURUGRAM *

HCL America Inc.
Notes to financial statements for the year ended 31 March 2018
(Amount in millions, except share and per share data)

Note:
1. Trade receivables include receivables from related parties amounting to USD 56 (₹3,633), (previous year: USD 69), refer note 3.30.

3.9 Cash and bank balances

	As at		
	31 March 2018 (USD)	31 March 2017 (USD)	31 March 2018 (Refer note 1(a)) (₹)
Cash and cash equivalents			
Balance with banks			
- in current accounts	25	4	1,626
Remittances in transit	0	0	2
	25	4	1,628

3.10 Loans

	As at		
	31 March 2018 (USD)	31 March 2017 (USD)	31 March 2018 (Refer note 1(a)) (₹)
Current			
Unsecured, considered good			
Loans to related party (refer note 3.30)	22	22	1,463
Loan to employees	0	0	1
	22	22	1,464

3.11 Other Current assets

	As at		
	31 March 2018 (USD)	31 March 2017 (USD)	31 March 2018 (Refer note 1(a)) (₹)
Unsecured , considered good			
Advances other than capital advances			
Advances to employees	0	1	10
Advances to suppliers	2	1	140
Others			
Deferred cost	13	36	807
Deferred cost-related parties (refer note 3.30)	27	21	1,780
Prepaid Expenses	34	26	2,196
Prepaid Expenses-related parties (refer note 3.30)	1	-	59
Advance tax (refundable)	6	-	405
Other advances	1	3	65
	84	88	5,462
Unsecured , considered doubtful			
Advances other than capital advances			
Other advances	1	1	66
Less: Provision for doubtful advances	(1)	(1)	(66)
	-	-	-
	84	88	5,462

BATLIBOI & CO. LLP * GURUGRAM *

HCL America Inc.
Notes to financial statements for the year ended 31 March 2018
(Amount in millions, except share and per share data)

3.12 Share Capital

	As at		
	31 March 2018 (USD)	31 March 2017 (USD)	31 March 2018 (Refer note 1(a)) (₹)
Authorized			
10,000,000 (previous year: 10,000,000) equity shares of USD 1 each	10	10	652
Issued, subscribed and fully paid up			
7,474,410 (previous year: 7,474,410) equity shares of USD 1 each	7	7	487

Term/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 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.

a) Reconciliation of the number of shares outstanding at the beginning and at the end of the period

	As at					
	31 March 2018		31 March 2017		31 March 2018	
	No. of shares	USD	No. of shares	USD	No. of shares	(₹)
Number of shares at the beginning	7,474,410	7	7,474,410	7	7,474,410	487
Add: Shares issued during the year	-	-	-	-	-	-
Number of shares at the end	7,474,410	7	7,474,410	7	7,474,410	487

b) Details of shareholders holding more than 5 % shares are as follows

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
Equity shares of USD 1 each, fully paid				
HCL Bermuda Limited , Bermuda , the holding company	6,089,870	81.48%	6,089,870	81.48%
Axon Group Limited, UK	1,384,540	18.52%	1,384,540	18.52%

As per the records of the company, including its register of shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

c) There are no bonus shares issued, no shares issued for consideration other than cash and no shares bought back during the period of five years immediately preceding the reporting date.

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.

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

HCL America Inc.
Notes to financial statements for the year ended 31 March 2018
(Amount in millions, except share and per share data)

3.13 Borrowings

	Non-Current			Current		
	As at			As at		
	31 March 2018 (USD)	31 March 2017 (USD)	31 March 2018 (Refer note 1(a)) (₹)	31 March 2018 (USD)	31 March 2017 (USD)	31 March 2018 (Refer note 1(a)) (₹)
Long term borrowings						
Secured						
"Finance lease obligations (refer note 1 below & note 3.27 (ii))"	5	4	316	5	2	322
	5	4	316	5	2	322
Short term borrowings						
Unsecured						
From Bank						
From bank	-	-	-	-	4	-
From Others						
From related parties (refer note 2 below & note 3.30)	-	-	-	19	19	1235
	-	-	-	19	23	1,235
	5	4	316	24	25	1,557

Notes:

1. The finance lease obligations are secured against servers acquired by the company on finance lease at interest rates ranging from 0.0% to 4.91%. The same is repayable over a period of 5 years on a monthly/ quarterly rest.

2. The company has availed the credit from related parties at interest rate LIBOR+100 bps which is repayable on demand.

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

HCL America Inc.
Notes to financial statements for the year ended 31 March 2018
(Amount in millions, except share and per share data)

3.14 Other financial liabilities

	As at		
	31 March 2018 (USD)	31 March 2017 (USD)	31 March 2018 (Refer note 1(a)) (₹)
Non-Current			
Carried at amortized cost			
Employee bonuses accrued	1	1	51
Others employee cost	-	0	-
Carried at fair value through profit and loss			
Deferred consideration – non current	-	2	-
	1	3	51
Current			
Carried at amortized cost			
Interest accrued but not due on borrowings	0	0	0
Accrued salaries and benefits			
Employee bonuses accrued	46	49	2,998
Other employee costs	39	32	2,523
Others			
Liabilities for expenses	161	157	10,504
Liabilities for expenses - related parties (refer note 3.30)	48	31	3,122
Capital accounts payables	12	9	754
Interest payable - related parties (refer note 3.30)	0	0	32
Deferred consideration	4	4	246
Supplier credit	33	60	2,154
Book overdraft	0	0	4
	343	342	22,337
Carried at fair value through profit and loss			
Unrealised loss on forward cover	-	0	-
	343	342	22,337

3.15 Provisions

	As at		
	31 March 2018 (USD)	31 March 2017 (USD)	31 March 2018 (Refer note 1(a)) (₹)
Non-Current			
Provision for employee benefits			
Provision for leave benefits	19	27	1,270
	19	27	1,270
Current			
Provision for employee benefits			
Provision for leave benefits	16	18	1,061
Provision for income tax	-	19	-
	16	37	1,061

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

HCL America Inc.
Notes to financial statements for the year ended 31 March 2018
(Amount in millions, except share and per share data)

3.16 Other non-current liabilities

	As at		
	31 March 2018 (USD)	31 March 2017 (USD)	31 March 2018 (Refer note 1(a)) (₹)
Revenue received in advance	11	9	700
	11	9	700

3.17 Trade Payables

	As at		
	31 March 2018 (USD)	31 March 2017 (USD)	31 March 2018 (Refer note 1(a)) (₹)
Trade payables	72	41	4,660
Trade payables - related parties (refer note 3.30 (e))	297	299	19,378
	369	340	24,038

3.18 Other current liabilities

	As at		
	31 March 2018 (USD)	31 March 2017 (USD)	31 March 2018 (Refer note 1(a)) (₹)
Revenue received in advance	27	50	1,748
Other advances			
Advances received from customers	2	1	141
Others			
Withholding and other taxes payable	2	1	134
	31	52	2,023

3.19 Revenue from operations

	Year ended		
	31 March 2018 (USD)	31 March 2017 (USD)	31 March 2018 (Refer note 1(a)) (₹)
Sale of services	3,576	3,488	233,053
Sale of hardware and software	106	51	6,944
	3,682	3,539	239,997

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

HCL America Inc.
Notes to financial statements for the year ended 31 March 2018
(Amount in millions, except share and per share data)

3.20 Other Income

	Year ended		
	31 March 2018 (USD)	31 March 2017 (USD)	31 March 2018 (Refer note 1(a)) (₹)
Interest income			
- Others-related party (refer note 3.30 (d))	1	4	49
Dividends from subsidiary companies	43	39	2,796
Bad debts written back	-	6	-
Exchange differences (net)	-	2	-
Income on investments carried at fair value through profit and loss			
-Share of profit in limited liability partnership	0	0	21
Miscellaneous income	1	0	73
	45	51	2,939

3.21 Changes in inventories of stock-in-trade

	Year ended		
	31 March 2018 (USD)	31 March 2017 (USD)	31 March 2018 (Refer note 1(a)) (₹)
Opening stock	10	5	675
Closing stock	(7)	(10)	(478)
	3	(5)	197

3.22 Employee benefit expenses

	Year ended		
	31 March 2018 (USD)	31 March 2017 (USD)	31 March 2018 (Refer note 1(a)) (₹)
Salaries, wages and bonus	1,316	1,210	85,801
Contribution to employee benefits	144	139	9,372
Staff welfare expenses	2	2	100
	1,462	1,351	95,273

3.23 Finance cost

	Year ended		
	31 March 2018 (USD)	31 March 2017 (USD)	31 March 2018 (Refer note 1(a)) (₹)
Interest			
-on loan from bank	0	0	16
-others	1	3	65
-others-related party (refer note 3.30 (d))	1	2	64
Bank charges	1	1	35
	3	6	180

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

HCL America Inc.
Notes to financial statements for the year ended 31 March 2018
(Amount in millions, except share and per share data)

3.24 Other expenses

	Year ended		
	31 March 2018 (USD)	31 March 2017 (USD)	31 March 2018 (Refer note 1(a)) (₹)
Rent	15	13	960
Power and fuel	4	3	229
Insurance	3	2	181
Repairs and maintenance			
- Plant and machinery	1	1	72
- Buildings	-	0	-
- Others	5	5	299
Communication costs	9	10	615
Travel and conveyance	67	76	4,341
Business Promotion	15	16	982
Legal and professional charges	24	21	1,547
Rates and taxes	0	5	(67)
Recruitment, training and development	0	7	20
Provision for doubtful debts/ bad debts	4	-	292
Loss on sale of property, plant and equipment (net)	0	1	9
Exchange differences (net)	2	0	117
Miscellaneous expenses	5	9	401
	154	**169**	**10,081**

3.25 Income taxes

	Year ended		
	31 March 2018 (USD)	31 March 2017 (USD)	31 March 2018 (Refer note 1(a)) (₹)
Income tax charged to statement of profit and loss			
Current income tax charge	12	2	754
Deferred tax charge (credit)	27	22	1,788
	39	**24**	**2,542**

The reconciliation between the Company's provision for income tax and amount computed by applying the statutory income tax rate in USA is as follows:

	Year ended		
	31 March 2018 (USD)	31 March 2017 (USD)	31 March 2018 (Refer note 1(a)) (₹)
Profit before income tax	157	161	10,227
Statutory tax rate in USA	36.38%	38.97%	36.38%
Expected tax expense	57	63	3,721
Reduction in deferred tax assets due to change in US federal tax rate	10	-	652
Non-taxable other income	-	(6)	-
Exempt income	(16)	(15)	(1,017)
Permanent Difference	-	(1)	-
Deemed dividend	(7)	-	(456)
Additional provision created in books	-	16	-
Tax reversal correction of prior year tax	(2)	(35)	(130)
Others	(3)	2	(228)
Total taxes	**39**	**24**	**2,542**
Effective income tax rate	24.71%	14.97%	24.71%

BATLIBOI & CO. LLP * GURUGRAM *

HCL America Inc.
Notes to financial statements for the year ended 31 March 2018
(Amount in millions, except share and per share data)

Components of deferred tax assets and liabilities as on 31 March 2018

(USD)

	Opening balance	Recognized in profit and loss	Recognised in / reclassified from OCI	Acquisition	Recognized directly in equity and against tax liability	Exchange Difference	Closing balance
Deferred tax assets							
Business losses	5	(2)					3
Provision for doubtful debts	4	(2)					2
Accrued employee costs	45	(22)					23
Provision for US sales tax	5	(4)					1
Others	6	4					10
Gross deferred tax assets (A)	**65**	**(26)**	-	-	-	-	**39**
Deferred tax liabilities							
Depreciation and amortization	9	1					10
Others	7	0					7
Gross deferred tax liabilities (B)	**16**	**1**	-	-	-	-	**17**
Net deferred tax assets (A-B)	**49**	**(27)**	-	-	-	-	**22**

(₹)

	Opening balance	Recognized in profit and loss	Recognised in / reclassified from OCI	Acquisition	Recognized directly in equity and against tax liability	Exchange Difference	Closing balance
Deferred tax assets							
Business losses	328	(160)					168
Provision for doubtful debts	258	(156)					102
Accrued employee costs	2,947	(1,432)					1,515
Provision for US sales tax	342	(255)					87
Others	401	293					694
Gross deferred tax assets (A)	**4,276**	**(1,710)**	-	-	-	-	**2,566**
Deferred tax liabilities							
Depreciation and amortization	590	63					653
Others	442	15					457
Gross deferred tax liabilities (B)	**1,032**	**78**					**1,110**
Net deferred tax assets (A-B)	**3,244**	**(1,788)**	-	-	-	-	**1,456**

Components of deferred tax assets and liabilities as on 31 March 2017

(USD)

	Opening balance	Recognized in profit and loss	Recognised in / reclassified from OCI	Acquisition	Recognized directly in equity and against tax liability	Exchange Difference	Closing balance
Deferred tax assets							
Business losses	6	(1)					5
Provision for doubtful debts	6	(2)					4
Accrued employee costs	42	3					45
Provision for US sales tax	5	(0)					5
Others	19	(12)					7
Gross deferred tax assets (A)	**78**	**(12)**	-	-	-	-	**66**
Deferred tax liabilities							
Depreciation and amortization	5	4					9
Others	2	6					8
Gross deferred tax liabilities (B)	**7**	**10**					**17**
Net deferred tax assets (A-B)	**71**	**(22)**	-	-	-	-	**49**

BATLIBOI & CO. LLP * GURUGRAM *

HCL America Inc.
Notes to financial statements for the year ended 31 March 2018
(Amount in millions, except share and per share data)

3.26 Earning per share

Particulars	Year Ended		
	31 March 2018 (USD)	31 March 2017 (USD)	31 March 2018 (Refer note 1(a)) (₹)
Net profit as per statement of profit and loss for computation of EPS	118	137	7,685
Weighted average number of equity shares outstanding in calculating Basic EPS	7,474,410	7,474,410	7,474,410
Weighted average number of equity shares outstanding in calculating dilutive EPS	7,474,410	7,474,410	7,474,410
Nominal value of equity shares	1	1	65
Earnings per equity share			
- Basic	15.78	18.33	1028.12
- Diluted	15.78	18.33	1028.12

3.27 Leases

i) Operating Leases

The Company leases office spaces and accommodation for its employees under operating lease agreements. The lease rental expense recognized in the statement of profit and loss account for the year is USD 15 (₹960) (previous year: USD 13). The lease equalization reserve for non-cancellable operating lease payable in future years and accounted for by the Company is USD 4 (₹248) (previous year: USD 4).

Future minimum lease payments and payment profile of non-cancellable operating leases are as follows:

	Year ended		
	31 March 2018 (USD)	31 March 2017 (USD)	31 March 2018 (Refer note 1(a)) (₹)
Not later than one year	14	12	931
Later than one year but not later than five years	39	37	2,516
Later than five years	5	10	345
Total	58	59	3,792

ii) Finance Leases: In case of assets taken on lease

The Company has acquired servers on finance lease. Total minimum lease payments and the maturity profile of finance leases at the balance sheet date, element of interest included in such payments, and the present value of the minimum lease payments are as follows:

	Total minimum lease payments receivable	Interest included in minimum lease payments receivable	Present value of minimum lease payments receivable
As on 31 March 2018			
Not later than one year	5	0	5
Later than one year but not later than five years	5	0	5
	10	**0**	**10**
As on 31 March 2017			
Not later than one year	2	0	2
Later than one year but not later than five years	4	0	4
	6	**0**	**6**
As on 31 March 2018 (₹)			
Not later than one year	337	15	322
Later than one year but not later than five years	323	7	316
	660	**22**	**638**

(iii) Finance Leases: In case of assets given on lease

The Company has given servers to its customers on finance lease basis. The future lease payment receivables in respect of assets given on finance lease are as follows:

	Total minimum lease payments receivable	Interest included in minimum lease payments receivable	Present value of minimum lease payments receivable
As on 31 March 2018			
Not later than one year	30	1	29
Later than one year but not later than five years	44	3	41
	74	**4**	**70**
As on 31 March 2017			
Not later than one year	23	2	21
Later than one year but not later than five years	14	1	13
Later than five years	4	1	3
	41	**4**	**37**
As on 31 March 2018 (₹)			
Not later than one year	1,993	96	1,897
Later than one year but not later than five years	2,838	191	2,647
	4,831	**287**	**4,544**

3.28 Segment reporting

The Company's operations predominantly relate to providing a range of IT services targeted at Global 2000 companies spread across America, Europe & Rest of the World. IT services include software services & IT infrastructure management services. Within software services, the Company provides application development & maintenance, enterprise application, next generation SAAS (Software As A Service) application services and engineering and R&D (Research and Development) services to several global customers. Infrastructure management services involve managing customer's IT assets effectively.

BATLIBOI & CO. LLP * GURUGRAM *

The Chief Operating Decision Maker ("CODM") evaluates the Company's performance by business segment, comprising software services, infrastructure management services and business process outsourcing services. Accordingly, the above stated business segments have been identified as reportable segments for the purpose of segment reporting. The CODM assesses the performance of the operating segments based on a measure of segment earnings.

The company has four geographic segments: India, America, Europe and Rest of the world.

Segment accounting policies

The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments and are as set out in note 1 to the financial statements on significant accounting policies. The accounting policies in relation to segment accounting are as under:

a) Segment revenue and expenses
Segment revenue is directly attributable to the segment and segment expenses have been allocated to various segments on the basis of specific identification. However, segment revenue does not include other income. Segment expenses do not include finance cost.

b) Segment assets and liabilities
Assets and liabilities are not identified to any reportable segments, since these are increasingly used interchangeably across segments and consequently, the management believes that it is not practicable or meaningful to provide segment disclosures relating to assets and liabilities.

Financial information about the business segments for the year ended 31 March 2018 is as follows: (USD)

	Software services	Business process outsourcing services	IT Infrastructure services	Total
Segment Revenues	2,226	85	1,371	3,682
Less: Inter-segment revenue	-	-	-	-
Net revenue of operations from external customers	**2,226**	**85**	**1,371**	**3,682**
Segment results	47	3	65	115
Unallocated corporate expenses:				
Finance cost				(3)
Other income				44
Interest income				1
Profit before tax				157
Tax expense				(39)
Profit for the year				118
Significant non-cash items				
Depreciation and amortization	7	0	16	23
Provision for doubtful debts & advances / Bad debts & advances written off				4

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

HCL America Inc.
Notes to financial statements for the year ended 31 March 2018
(Amount in millions, except share and per share data)

Financial information about the business segments for the year ended 31 March 2018 is as follows: (₹)

	Software services	Business process outsourcing services	IT Infrastructure services	Total
Segment Revenues	145,065	5,546	89,386	239,997
Less: Inter-segment revenue	-	-	-	-
Net revenue of operations from external customers	**145,065**	**5,546**	**89,386**	**239,997**
Segment results	3,041	189	4,238	7,468
Unallocated corporate expenses:				
Finance cost				(180)
Other income				2,890
Interest income				49
Net profit before taxes				**10,227**
Tax expense				(2,542)
Net profit after taxes				**7,685**
Significant non-cash adjustments				
Depreciation	465	12	1,047	1,524
Provision for doubtful debts & advances / Bad debts & advances written off				292

Financial information about the business segments for the year ended 31 March 2017 is as follows: (USD)

	Software services	Business process outsourcing services	IT Infrastructure services	Total
Segment Revenues	2,174	86	1,279	3,539
Less: Inter-segment revenue	-	-	-	-
Net revenue of operations from external customers	**2,174**	**86**	**1,279**	**3,539**
Segment results	66	5	45	116
Unallocated corporate expenses:				
Finance cost				(6)
Other income				48
Interest income				3
Net profit before taxes				**161**
Tax expense				(24)
Net profit after taxes				**137**
Significant non-cash adjustments				
Depreciation	5	0	13	18
Provision for doubtful debts & advances / Bad debts & advances written off				(6)

Segment revenue from customers by geographic area based on location of the customer is as follows:

	Year ended		
	31 March 2018 (USD)	31 March 2017 (USD)	31 March 2018 (Refer note 1(a)) (₹)
America	3,579	3,385	233,277
Europe	71	81	4,610
India	1	1	86
Rest of the world	31	71	2,024
	3,682	3,539	239,997

S. BATLIBOI & CO. LLP * GURUGRAM *

During the years ended 31 March 2018 and 2017, no single customer represents 10% or more of the Company's total revenue and the top five customers accounted for 18.1% and 17.3% of the revenue of the Company respectively.

3.29 Financial Instruments

(a) Derivatives

The Company is exposed to foreign currency fluctuations on foreign currency assets / liabilities and forecast cash flows denominated in foreign currency. The use of derivatives to hedge foreign currency forecasted cash flows is governed by the Company's strategy, which provides principles on the use of such forward contracts and currency options consistent with the Company's Risk Management Policy. The counterparty in these derivative instruments are banks and the Company considers the risks of non-performance by the counterparty as non-material. A majority of the forward foreign exchange/option contracts mature between one to twelve months and the forecasted transactions are expected to occur during the same period. The Company does not use forward contracts and currency options for speculative purposes.

The following table presents the aggregate notional principal amounts of the outstanding derivative forward covers together with the related balance sheet exposure:

Foreign exchange forward denominated in	Notional currency	Notional Principal amounts			Balance sheet exposure asset (liability)		
		31 March 2018 (USD)	31 March 2017 (USD)	31 March 2018 (Refer note 1(a)) (₹)	31 March 2018 (USD)	31 March 2017 (USD)	31 March 2018 (Refer note 1(a)) (₹)
Buy covers							
MYR/USD	MYR	-	2	-	-	0	-
GBP/USD	GBP	-	5	-	-	(0)	-

As of the balance sheet date, the Company's net foreign currency exposure that is not hedged is (USD 26) (₹1,688) (previous year: USD 28).

(b) Financial assets and liabilities

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

	Fair value through profit and loss	Fair value through other comprehensive income	Amortized cost	Total Carrying Value
Financial Assets				
Investments	4	-	153	157
Trade receivables	-	-	604	604
Cash and cash equivalents	-	-	25	25
Loans	-	-	22	22
Others (refer note 3.5)	-	-	286	286
Total	4	-	1,090	1,094
Financial Liabilities				
Borrowings	-	-	29	29
Trade payables	-	-	369	369
Others (refer note 3.14)	-	-	344	344
Total	-	-	742	742

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

HCL America Inc.
Notes to financial statements for the year ended 31 March 2018
(Amount in millions, except share and per share data)

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

	Fair value through profit and loss	Fair value through other comprehensive income	Amortized cost	Total Carrying Value
Financial Assets				
Investments	267	-	9,960	10,227
Trade receivables	-	-	39,340	39,340
Cash and cash equivalents	-	-	1,628	1,628
Loans	-	-	1,464	1,464
Others (refer note 3.5)	-	-	18,494	18,494
Total	267	-	70,885	71,152
Financial Liabilities				
Borrowings	-	-	1,873	1,873
Trade payables	-	-	24,038	24,038
Others (refer note 3.14)	-	-	22,388	22,388
Total	-	-	48,299	48,299

The carrying value of financial instruments by categories as at 31 March, 2017 is as follows: (USD)

	Fair value through profit and loss	Fair value through other comprehensive income	Amortized cost	Total Carrying Value
Financial Assets				
Investments	4	-	140	144
Trade receivables	-	-	568	568
Cash and cash equivalents	-	-	4	4
Loans	-	-	22	22
Others (refer note 3.5)	-	-	257	257
Total	4	-	991	995
Financial Liabilities				
Borrowings	-	-	29	29
Trade payables	-	-	340	340
Others (refer note 3.14)	-	-	345	345
Total	-	-	714	714

Fair value hierarchy

The assets and liabilities measured at fair value on a recurring basis as at 31 March 2018 and the basis for that measurement is as below: (USD)

	Fair value	Level 1 inputs	Level 2 inputs	Level 3 inputs
Assets				
Investments carried at fair value through profit and loss	4	-	4	-
Liabilities				
Deferred consideration	4	-	-	4

(₹)

	Fair value	Level 1 inputs	Level 2 inputs	Level 3 inputs
Assets				
Investments carried at fair value through profit and loss	267	-	267	-
Liabilities				
Deferred consideration	246	-	-	246

BATLIBOI & CO. LLP * GURUGRAM *

The following table discloses the assets and liabilities measured at fair value on a recurring basis as at 31 March 2017 and the basis for that measurement:

(USD)

	Fair value	Level 1 inputs	Level 2 inputs	Level 3 inputs
Assets				
Investments carried at fair value through profit and loss	4	-	4	-
Liabilities				
Deferred consideration	6	-	-	6

Valuation Methodologies

The investment in limited liability partnership (LLP) is classified as fair value through profit and loss. The share of profit/ loss in limited liability partnership (LLP) is accounted for in the books of the company as and when it is credited/ debited to the Partner's Capital Account and is classified as Level 2.

Fair value of earn-out consideration: The fair value measurement of earn-out consideration is determined using level 3 inputs. The measurement is calculated using unobservable inputs based on the Company's own assessment of achievement of certain performance goals. During the year ended 31 March, 2018 the company has made earnout payment of USD 2. The group estimated the total fair value of the earn out consideration to be USD 4 (₹ 246), (previous year: USD 6).

(c) Financial risk management

The Company is exposed to market risk, credit risk and liquidity risk which may impact the fair value of its financial instruments. The Company has a risk management policy to manage & mitigate these risks.

The Company's risk management policy aims to reduce volatility in financial statements while maintaining balance between providing predictability in the Company's business plan along with reasonable participation in market movement.

Market risk

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

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in exchange rates. The Company's exposure to the risk of changes in exchange rates relates primarily to the Company's operations and the Company's net investments in foreign branches.

The exchange rate risk primarily arises from assets and liabilities denominated in currencies other than the functional currency of the respective branches and foreign currency forecasted revenue and cash flows. A significant portion of the Company revenue and cost is in Euro, GBP and MXN. The fluctuation in exchange rates in respect to the USD may have potential impact on the statement of profit and loss and other comprehensive income and equity.

To mitigate the foreign currency risk the Company uses derivatives as governed by the Company's strategy, which provides principles on the use of such forward contracts and currency options consistent with the Company's Risk Management Policy.

Appreciation / depreciation of 1% in respective foreign currencies with respect to functional currency of the Company and its subsidiaries would result in decrease / increase in the Company's profit before tax by approximately (USD 0.26) 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.

S. BATLIBOI & CO. LLP * GURUGRAM *

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
EUR/USD	5	4	5	2
GBP/USD	0	0	13	8
MXN/USD	0	0	3	8

(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. Hence the Company is not significantly exposed to interest rate risk.

Credit risk

Financial instruments that potentially subject the Company to concentration of credit risk consist principally of cash and bank balances, inter-corporate deposits, trade receivables, unbilled revenue, finance lease receivables, investment securities and derivative instruments. The cash resources of the Company are invested with mutual funds, banks, financial institutions and corporations after an evaluation of the credit risk. By their nature, all such financial instruments involve risks, including the credit risk of nonperformance by counterparties.

The customers of the Company are primarily corporations based in the United States of America and Europe and accordingly, trade receivables and finance lease receivables are concentrated in the respective countries. The Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivables.

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

	As at		
	31 March 2018 (USD)	31 March 2017 (USD)	31 March 2018 (Refer note 1(a)) (₹)
Balance at the beginning of the year	9	15	560
Additional provision during the year	4	4	292
Deductions on account of write offs and collections	8	10	501
Balance at the end of the year	5	9	351

Liquidity risk

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

Maturity profile of the company's non-derivative long term financial liabilities based on contractual payments is as below:

	Year 1 (Current)	Year 2	Year 3	Year 4-5	Total
As at 31 March 2018					
Borrowings	5	4	1	0	10
Employee bonus accrued	46	1	-	-	47
Deferred Consideration	4	-	-	-	4
Total	**55**	**5**	**1**	**0**	**61**
As at 31 March 2017					
Borrowings	2	2	2	0	6
Employee bonus accrued	49	1	-	-	50
Deferred Consideration	4	2	-	-	6
Total	**55**	**5**	**2**	**0**	**62**

S. BATLIBOI & CO. LLP * GURUGRAM *

3.30 Related party transactions

a) **Related parties where control exists**

Holding companies

- HCL Technologies Limited (Ultimate Holding Company)
- HCL Bermuda Limited (Holding Company)

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

Holding companies

- HCL Technologies Limited
- HCL Bermuda Limited

Direct Subsidiaries

- HCL Great Britain Limited
- HCL America Solutions Inc.
- HCL Italy SRL
- Power team LLC
- Butler America Aerospace ,LLC
- HCL GmbH, Germany
- HCL Belgium NV
- HCL Sweden AB
- HCL Technologies Sweden IOMC
- HCL (Netherlands) B.V.
- HCL Technologies Chile SpA
- Hcl Technologies Austria Gmbh
- Axon Solutions Singapore Pte L
- HCL Technologies (Thailand)Ltd
- CELERITIFINTECH LIMITED
- HCL Mortagage Holding LLC.
- Urban Fulfillment Services LLC.

Fellow subsidiaries

- HCL EAS Limited
- HCL (Brazil) Tecnologia da informacao Ltda.
- Axon Solutions Limited
- Geometric Americas Inc.
- HCL Axon technologies Inc.
- HCL Axon technologies Inc.-SD
- HCL Technologies S.A.
- HCL Axon Solutions (Shanghai) Co., Ltd.
- HCL Technologies Columbia
- HCL AXON Malaysia Sdn Bhd
- HCL Technologies Romania s.r.l.
- HCL Technologies Italy S.p.A.
- HCL İstanbul Bilişim Teknolojileri Limited
- Axon Solutions (Shanghai) Co. Limited
- HCL Argentina S.A.
- HCL Technologies Belgium BVBA
- HCL Mexico
- HCL Technologies Sweden AB
- HCL Saudi Arabia LLC
- Axon Solutions Sdn Bhd
- GAPP Japan
- HCL Technologies Luxembourg S.
- HCL Technologies Lithuania UAB
- HCL Technologies Greece Single
- Axon Solutions (BPO NI Division
- HCLAxon Solutions Kunshan
- HCLAxon Solutions Tianjin

BATLIBOI & CO. LLP * GURUGRAM *

- Geometric China, Inc.
- HCL Technologies Taiwan Ltd
- State Street HCL Services (Phi
- HCL Technologies Middle East
- HCL Technologies UK Limited
- HCL Technologies BV
- HCL Technologies Philippines Inc
- Axon Solutions Schweiz GmbH
- HCL Technologies Germany GmbH
- HCL Technologies Finland Oy
- HCL Japan Limited
- HCL Poland Sp.z.o.o.
- HCL Technologies Norway AS
- Celeritifintech Limited
- HCL Comnet Limited
- HCL Technologies (Shanghai) Limited
- HCL Australia Services Pty. Limited
- HCL (New Zealand) Limited
- HCL Hong Kong SAR Limited
- HCL Singapore Pte. Limited
- HCL Axon Malaysia Sdn Bhd-Software Division
- PT. HCL Technologies Indonesia
- FILIAL ESPAÑOLA DE HCL TECHNOLOGIES, S.L. (HCL Spain)
- HCL Technologies France
- HCL Technologies Denmark ApS
- HCL Technologies Czech Republi
- HCL Axon (Pty) Limited

c) Key management personnel

- Mr. Shiv Nadar – Chairman and Chief Startegy Managing Director
- C.Vijay kumar – President and Chief Executive Officer

(d) Transactions with related parties during the year:

(USD)

Transactions with related parties during the normal course of business	Ultimate Holding Company		Subsidiaries		Fellow Subsidiaries	
	Year ended		Year ended		Year ended	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Revenue from operations	172	91	94	59	39	83
Dividend Income	-	-	43	39	-	-
Interest Income	0	3	0	1	1	0
Consulting Charges	1,103	1,094	36	167	112	86
Corporate Guarantee Fees	-	-	1	-	-	0
Marketing Expense	1	1	-	1	1	-
Interest Expense	-	-	1	1	0	1
Cost of Goods Sold	2	0	0	(0)	0	-
Insurance	0	-	-	-	-	-
Investments	-	-	13	-	-	-

S. RATLIBOI & CO. LLP * GURUGRAM *

HCL America Inc.
Notes to financial statements for the year ended 31 March 2018
(Amount in millions, except share and per share data)

(₹)

Transactions with related parties during the normal course of business	Ultimate Holding Company	Subsidiaries	Fellow Subsidiaries
	Year ended	Year ended	Year ended
	31 March 2018	31 March 2018	31 March 2018
Revenue from operations	11,196	6,138	2,511
Dividend Income	-	2,796	-
Interest Income	7	2	40
Consulting Charges	71,850	2,368	7,298
Corporate Guarantee Fees	-	73	-
Marketing Expense	78	-	65
Interest Expense	-	33	31
Cost of Goods Sold	102	6	4
Insurance	29	-	-
Investments	-	839	-

Transactions with Key Managerial personnel during the year	Year ended		
	31 March 2018 (USD)	31 March 2017 (USD)	31 March 2018 (Refer note 1(a)) (₹)
Compensation	6	2	369

(e) Outstanding Balances with related parties:

(USD)

Outstanding balances	Ultimate Holding Company		Subsidiaries		Fellow Subsidiaries	
	As at		As at		As at	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Trade Receivable	21	19	26	26	9	24
Prepaid Expenses	1	-	-	-	-	-
Deferred cost	27	21	-	-	-	(0)
Unbilled receivables	18	14	4	1	-	1
Receivable Expenses	0	-	1	-	2	-
Short term deposits	-	-	1	7	21	15
Interest Receivable	-	-	-	0	1	0
Liability for expenses	48	24	0	-	-	7
Interest Payable	-	-	0	0	0	0
Trade Payables	256	253	21	23	20	22
Short term borrowings	-	-	5	3	14	16

(₹)

Outstanding Balances	Ultimate Holding Company	Subsidiaries	Fellow Subsidiaries
	As at	As at	As at
	31 March 2018	31 March 2018	31 March 2018
Trade Receivable	1,366	1700	567
Prepaid Expenses	59	-	-
Deferred cost	1,780	-	-
Unbilled receivables	1,161	283	-
Receivable Expenses	9	50	162
Short term deposits	-	52	1,398
Interest Receivable	-	-	38
Liability for expenses	3,121	1	-
Interest Payable	-	12	20
Trade Payables	16,733	1,362	1,283
Short term borrowings	-	296	939

S. BATLIBOI & CO. LLP * GURUGRAM *

3.31 Share based payments

Pursuant to the approval of the shareholders, the ultimate parent undertaking, HCL Technologies Limited operated the 1999, 2000 and 2004 stock option plan ('1999 plan", "2000 plan" and "2004 plan"). This was an equity settled incentive scheme for employees in the shares of ultimate parent undertaking, HCL Technologies Limited.

A reconciliation of options movement is shown below:

	31 March 2018			31 March 2017		
	Weighted average exercise price		Number	Weighted average exercise price		Number
	USD	₹		USD	₹	
Outstanding at the beginning of the year	0.25	16	96,850	0.25	16	200,740
Exercised during the year	0.25	16	34,930	0.25	16	44,680
Forfeited during the year			-	0.25	16	49,660
Outstanding at the end of the year	**0.25**	**16**	**61,920**	**0.25**	**16**	**96,850**

There are eight shares per option.

There were 61,920 shares outstanding at 31 March 2018.

No share options were granted during the year. The fair value of the options were calculated using the Black-Scholes option pricing model. There were no performance conditions attached to the share options.

The expected volatility is based on trend-based historical volatility based on actively traded stock of the Company.

There is no charge for the year relating to the employee share-based payment plans.

HCL Technologies Limited, the ultimate holding company, has issued Employee stock options to the employees of the Company. The cost incurred by the ultimate holding company for issuing such options is nil (previous year: nil). The ultimate holding company has not transferred any charge on account of stock option expense to the Company.

3.32 Commitments and Contingent liabilities

	As at		
	31 March 2018 (USD)	31 March 2017 (USD)	31 March 2018 (Refer note 1(a)) (₹)
Capital and other commitments			
Estimated amount of unexecuted capital contracts	9	8	596
	9	8	596

The Company is involved in various lawsuits, claims and proceedings that arise in the ordinary course of business, the outcome of which is inherently uncertain. Some of these matters include speculative and frivolous claims for substantial or indeterminate amounts of damages. The Company records a liability when it is both probable that a loss has been incurred and the amount can be reasonably estimated. Significant judgement is required to determine both probability and the estimated amount. The Company reviews these provisions at least quarterly and adjusts these provisions accordingly to reflect the impact of negotiations, settlements, rulings, advice of legal counsel, and updated information. The Company believes that the amount or estimable range of reasonably possible loss, will not, either individually or in the aggregate, have a material adverse effect on its business, financial position, results of the Company, or cash flows with respect to loss contingencies for legal and other contingencies as at 31 March 2018.

S.R. BATLIBOI & CO. LLP
GURUGRAM

HCL America Inc.
Notes to financial statements for the year ended 31 March 2018
(Amount in millions, except share and per share data)

3.33 Payment to Auditors

Particulars	Year ended		
	31 March 2018 (USD)	31 March 2017 (USD)	31 March 2018 (Refer note 1(a)) (₹)
Audit Fees	0	0	0
Total	0	0	0

3.34 Employee benefit plans

Total contributions made to the 401(k) plan by the Company, for the year ended 31 March 2018 is USD 24 (₹1,551), (previous year: USD 18).

4. Previous year comparatives

The company has changed its presentation from "USD in absolute amount" to "USD in millions" and accordingly, amounts less than USD 0.50 millions are rounded off to Zero.

As per our report of even date

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

Per Nilangshu Katriar
Partner
Membership Number: 58814

Gurugram, India
Date: 10 August, 2018.

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

For and on behalf of Board of Directors of HCL America Inc.

C. Vijayakumar
Director

Robin Abrams
Director

Date: 10 August, 2018