Financial Statements

HCL (Ireland) Information Systems Limited

For the year ended 31 March 2018

Registered number : 534637

Company Information

Directors	Shiv Kumar Walia (United Kingdom) Bejoy Joseph George (Germany) Subramania Gopalakrishnan (India)
Company secretary	TMF Administration Services Limited
Registered number	534637
Registered office	Telephone House 43-46 Marlborough Street Dublin 1
Independent auditors	Ernst & Young Chartered Accountants & Statutory Audit Firm Harcourt Street Dublin 2
Bankers	Citibank Europe plc 1 North Wall Quay Dublin 1

HCL (Ireland) Information Systems Limited

Contents

Directors' Report

For the Financial year ended 31 March 2018

The directors present their annual report and the audited financial statements for the financial year ended 31 March 2018.

Principal activities

The principal activity of the company is to provide IT and IT enabled services to its customers.

Business review

This is the fourth year of trading and the directors are satisfied with the performance of the company. The company is well poised for future growth and plans to expand its operations in the coming years.

Results and dividends

The profit for the financial year, after taxation, amounted to € 1,673,877 (2017 - €726,087).

The directors have not recommended a dividend.

Directors and their interests

In accordance with Section 329 of the Companies Act 2014, the directors' shareholdings and the movements therein during the financial year ended 31 March 2018 were as follows:

	Ordinary shares of €10 each		Parent shares of Rs2 each	
	31-03-2018	01-04-2017	**31-03-2018**	01-04-2017
Shiv Kumar Walia	-	-	-	-
Bejoy Joseph George (appointed 31 March 2016)	-	-	-	-
Subramanian Gopalakrishnan (appointed 31 March 2016)	-	-	-	50 *

(* held on date of appointment)

The secretary, TMF Administration Services Limited, did not hold any shares in the parent company during the year.

The directors and the secretary who served the company during the year have no beneficial interests in the shares of the company or any group companies other than those disclosed above.

Principal risks and uncertainties

The directors consider that the principal risks and uncertainties faced by the company are in the following categories:

Economic risk

The risk of increased interest rates and/or inflation having an adverse impact on served markets.

Directors' Report (continued)

For the Financial year ended 31 March 2018

Financial risk

The company has budgetary and financial reporting procedures, supported by appropriate key performance indicators, to manage costs, debt collections and other financial risk.

Accounting records

The measures taken by the directors to ensure compliance with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The company's accounting records are maintained at the company's registered office at HCL Technologies Ltd., Noida, India and are made available to Telephone House, 43-46 Marlborough Street, Dublin 1.

Future developments

The company plans to continue its present activities.

Research and development activities

The company did not engage in any research or development during the year ended 31 March 2018.

Directors' compliance policy statement

The Directors acknowledge that they are responsible for securing the Company's compliance with its relevant obligations as defined in section 225 of the Companies Acts and hereby confirm that they have completed the following;

- Drafted and reviewed a Compliance Policy Statement, setting out the Company's policies (that, in the Directors' opinion, are appropriate to the Company) respecting compliance by the Company with its relevant obligations.
- Put in place appropriate arrangements and structures that are, in the directors' opinion, designed to secure material compliance with the Companies' relevant obligations; and
- Have conducted a review of the aforementioned arrangements and structures.

Audit committee statement (Section 167 of the Act):

The directors of the Company have decided not to establish an Audit Committee pursuant to section 167 Companies Act 2014 as the Company is a subsidiary company and its ultimate parent undertaking has established such a committee that in all material respects ensures compliance by the Company of obligations under that section. Further the Board believed that they have policies and procedures in place to ensure the Board complies with its responsibilities relating to financial reporting, risk assessment and internal control.

Directors' Report (continued)

For the Financial year ended 31 March 2018

Employee involvement

The company are regularly updating to employees on matters of concern to them via various ways like HCL Times - in house magazine published monthly ; regular team meetings within each line of business; regular email updates from HR/Management/Facilities; fortnightly meetings with the Trade Union representing employees (Communications Workers Union) where issues of concern to staff can be raised and discussed ; Employee opinion surveys and suggestion boxes and Group performances being communicated via HCL Portal and mailers to all staff.

Disabled employees

As per the Employment Equality Acts 1998-2015, outlaw discrimination on the grounds of disability in employment, as employees with disabilities have the same employment rights as other employees. As a responsible employer, The Company has fully adhered to this legislation in recruitment, training, workstation accommodation promotion and career development.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the financial year end.

Auditors

The auditors, Ernst & Young, continue in office in accordance with section 383(2) of the Companies Act 2014.

This report was approved by the board and signed on its behalf.

Shiv Kumar Walia
Director
Date : 08 June 2018

Bejoy Joseph George
Director

Directors' Responsibilties Statement

For the Financial year ended 31 March 2018

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable Irish law and regulations.

Irish company law requires the directors to prepare the financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with Irish Generally Accepted Accounting Practice in Ireland, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and promulgated by the Institute of Chartered Accountants in Ireland and Irish law.

Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company as at the financial year end date, of the profit or loss of the Company for that financial year and otherwise comply with the Companies Act 2014.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the will continue in business.

The directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' Report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board

Shiv Kumar Walia
Director
Date : 08 June 2018

Bejoy Joseph George
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HCL (IRELAND) INFORMATION SYSTEMS LIMITED

Opinion

We have audited the financial statements of HCL (Ireland) Information Systems Limited ('the Company') for the year ended 31st March 2018, which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including the summary of significant accounting policies set out in note 1 to 21 . The financial reporting framework that has been applied in their preparation is Irish Law and Accounting Standards including [FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland] (Irish Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31st March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with Irish Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters, in relation to which ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate: or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HCL (IRELAND) INFORMATION SYSTEMS LIMITED

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors' report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- in our opinion, the information given in the directors' report is consistent with the financial statements; and
- in our opinion, the directors' report has been prepared in accordance with the Companies Act 2014

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HCL (IRELAND) INFORMATION SYSTEMS LIMITED

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf .

This description forms part of our auditor's report.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Ruth logan
for and on behalf of
Ernst & Young Chartered Accountants and Statutory Audit Firm
Belfast

Date 22nd June 2018

Statement of Comprehensive Income

For the Year ended 31 March 2018

	Note	Year ended 31 March 2018 €	Year ended 31 March 2017 €
Turnover	3	**57,634,584**	28,170,033
Cost of sales		**(52,052,325)**	(24,048,234)
Gross profit		5,582,259	4,121,799
Distribution costs		**(873,957)**	(638,766)
Administrative expenses		**(2,579,382)**	(2,535,200)
Other operating charges		**13,143**	48,063
Operating profit	4	2,142,063	995,896
Interest payable and expenses	6	**(117,202)**	(136,215)
Profit before tax		2,024,861	859,681
Tax on profit	7	**(350,984)**	(133,594)
Profit for the financial year		1,673,877	726,087
Other comprehensive income for the financial year			
Other comprehensive income		-	-
Total comprehensive income for the financial year		**1,673,877**	726,087

All amounts relate to continuing operations

Signed on behalf of the board :

Shiv Kumar Walia
Director
Date : 08 June 2018

Bejoy Joseph George
Director

Statement of Financial Position

As at 31 March 2018

	Note		2018 €		2017 €
Fixed assets					
Tangible fixed assets	8		**129,414**		140,565
			129,414		140,565
Current assets					
Stocks	9	**125,600**		545,511	
Debtors: amounts falling due after more than one year	10	**1,270,306**		533,359	
Debtors: amounts falling due within one year	10	**23,819,719**		6,817,391	
Cash at bank and in hand	11	**4,433,714**		-	
		29,649,339		7,896,261	
Creditors: amounts falling due within one year	12	**(26,793,295)**		(6,725,245)	
Net current assets			**2,856,044**		1,171,016
Total assets less current liabilities			**2,985,458**		1,311,581
Net assets			**2,985,458**		1,311,581
Capital and reserves					
Called up share capital	13		**100,000**		100,000
Profit and loss account	14		**2,885,458**		1,211,581
Shareholders' funds			**2,985,458**		1,311,581

The financial statements were approved and authorised for issue by the board:

Shiv Kumar Walia
Director

Bejoy Joseph George
Director

Date : 08 June 2018

The notes on pages 11 to 24 form part of these financial statements

Statement of Changes in Equity

As at 31 March 2018

	Share capital	Retained earnings	Total equity
	€	€	€
At 1 April 2017	100,000	1,211,581	1,311,581
Comprehensive income for the financial year			
Profit for the financial year	-	1,673,877	1,673,877
	100,000	2,885,458	2,985,458
Total transactions with owners	-	-	-
At 31 March 2018	100,000	2,885,458	2,985,458

	Share capital	Retained earnings	Total equity
	€	€	€
At 1 April 2016	100,000	485,494	585,494
Comprehensive income for the financial year			
Profit for the financial year	-	726,087	726,087
	100,000	1,211,581	1,311,581
Total transactions with owners	-	-	-
At 31 March 2017	100,000	1,211,581	1,311,581

The notes on pages 11 to 24 from part of these financial statements

Notes to the Financial Statements

For the Financial year ended 31 March 2018

1. Accounting policies

1.1 Company information

HCL (Ireland) Information Systems Limited is a limited liability company, which is registered and incorporated in the Republic of Ireland. The company's registered office is at Telephone House, 43-46 Marlborough Street, Dublin 1.

1.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Basic Financial Instruments;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of HCL Technologies Limited as at 31 March 2018 and these financial statements may be obtained from the Companies Registry in India.

1.3 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and Irish statute comprising of the Companies Act 2014.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

The financial statements are prepared in euro which is the presentational currency of the company and rounded to the nearest €.

The following principal accounting policies have been applied:

1. Accounting policies (continued)

1.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

1.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Plant and machinery	-	10 years
Fixtures and fittings	-	7 years
Computer equipment	-	4-5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

Notes to the Financial Statements

For the Financial year ended 31 March 2018

1. Accounting policies (continued)

1.6 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

1.7 Finance leases

Where assets leased to a third party give rights approximating to ownership (finance leases), the assets are treated as if they had been sold outright. The amount removed from the fixed assets is the net book value on disposal of the asset. The profit on disposal, being the excess of the present value of the minimum leases payments over net book value is credited to profit or loss.

Lease payments are analysed between capital and interest components so that the interest element of the payment is credited to profit or loss over the term of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts owed by the lessee.

1.8 Stocks and work in progress

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

1.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Notes to the Financial Statements

For the Financial year ended 31 March 2018

1. Accounting policies (continued)

1.11 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1. Accounting policies (continued)

1.13 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.14 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

1.15 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the financial year in which they are incurred.

1.16 Current and deferred taxation

The tax expense for the financial year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Notes to the Financial Statements

For the Financial year ended 31 March 2018

2. Judgments in applying accounting policies and key sources of estimation uncertainty

When preparing the financial statements, management undertakes a number of judgments, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses. These are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant management judgement

The following are significant management judgments in applying the accounting policies of the company that have the most significant effect on the financial statements.

Allowances for impairment of trade receivables

The company estimates the allowance for doubtful trade receivables based on assessment of specific accounts where the Company has objective evidence comprising default in payment terms or significant financial difficulty that certain customers are unable to meet their financial obligations. In these cases, judgment used was based on the best available facts and circumstances including but not limited to, the length of relationship.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and physical obsolescence that may change the utility of certain assets.

Notes to the Financial Statements

For the Financial year ended 31 March 2018

3. Turnover

An analysis of turnover by class of business is as follows :

	Year ended 31 March 2018	Year ended 31 March 2017
	€	€
Software income	**54,923,753**	27,323,558
Product sales	**2,710,831**	846,475
	57,634,584	28,170,033

Analysis of turnover by country of destination :

	Year ended 31 March 2018	Year ended 31 March 2017
	€	€
Republic of Ireland	**51,265,477**	26,725,725
Rest of the world	**6,369,107**	1,444,308
	57,634,584	28,170,033

4. Profit on ordinary activites before taxation

The operating profit is stated after charging :

	Year ended 31 March 2018	Year ended 31 March 2017
	€	€
Depreciation of tangible assets	**32,771**	14,953
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	**17,500**	15,000
Rental operating lease - land and buildings	**691,591**	967,434
Exchange differences	**(13,143)**	29,792
Defined contribution pension cost	**33,183**	8,898

Notes to the Financial Statements

For the Financial year ended 31 March 2018

5. Employees

Staff costs were as follows :

	Year ended 31 March 2018	Year ended 31 March 2017
	€	€
Wages and salaries	**17,400,054**	17,164,100
Social insurance costs	**1,775,452**	1,854,387
Cost of defined contribution scheme	**33,183**	8,898
	19,208,689	19,027,385

Capitalised employee costs during the financial year amounted to € NIL (2017 - € NIL).

The average monthly number of employees, including the directors, during the financial year was as follows :

	Year ended 31 March 2018	Year ended 31 March 2017
	No.	No.
Employees	**709**	792

No director received remuneration during the current or prior period.

6. Interest payable and similar charges

	Year ended 31 March 2018	Year ended 31 March 2017
	€	€
Bank interest payable	**-**	90
Other loan interest payable	**17,388**	3,156
Loans from group undertakings	**99,814**	132,969
	117,202	136,215

Notes to the Financial Statements

For the Financial year ended 31 March 2018

7. Taxation

	Year ended 31 March 2018 €	Year ended 31 March 2017 €
Corporation tax		
Tax on profits for current year	**357,212**	142,577
Adjustments in respect of previous periods	**(4,647)**	1,033
	352,565	143,610
Total current tax	352,565	143,610
Deferred tax		
Origination and reversal of timing difference	**(4,071)**	(10,764)
Adjustment in respect previous periods	**2,490**	748
Total deferred tax	(1,581)	(10,016)
Taxation on profit on ordinary activites	350,984	133,594

Factors affecting tax change for the financial year

The tax assessed for the financial year/period is higher than (2017- higher than) the standard rate of corporation tax in Ireland of 12.5 % (2017 - 12.5%). The differences are explained below:

	Year ended 31 March 2018 €	Year ended 31 March 2017 €
Profit on ordinary activites before tax	**2,024,861**	859,681
Profit on ordinary activites multiplied by standard rate of corporation tax in Ireland of 12.5% (2017 - 12.5%)	**253,108**	107,460
Effects of :		
Permanent differences	**83,181**	(587)
Tax on employee medical insurance	**16,852**	27,956
Withholding tax deducted by customer	-	(109)
Adjustments to tax charge in respect of prior periods	**(2,157)**	(1,126)
Total tax charge for the financial year	**350,984**	133,594

Notes to the Financial Statements

For the Financial year ended 31 March 2018

8. Tangible fixed assets

	Plant and machinery	Furniture and fittings	Computer equipment	Total
	€	€	€	€
Cost or valuation				
At 1 April 2017	86,740	-	69,887	156,627
Additions	13,663	7,957	-	21,620
At 31 March 2018	100,403	7,957	69,887	178,247
Depreciation				
At 1 April 2017	2,975	-	13,087	16,062
Charge for the year on owned assets	18,077	673	14,021	32,771
At 31 March 2018	21,052	673	27,108	48,833
Net book value				
At 31 March 2018	**79,351**	**7,284**	**42,779**	**129,414**
At 31 March 2017	83,765	-	56,800	140,565

	Plant and machinery	Furniture and fittings	Computer equipment	Total
	€	€	€	€
Cost or valuation				
At 1 April 2016	282,747	249,120	23,001	554,868
Additions	84,516	-	46,886	131,402
Disposals	(280,523)	(249,120)	-	(529,643)
At 31 March 2017	86,740	-	69,887	156,627
Depreciation				
At 1 April 2016	12,650	11,884	1,045	25,579
Charge for the year on owned assets	2,911	-	12,042	14,953
Disposals	(12,586)	(11,884)	-	(24,470)
At 31 March 2017	2,975	-	13,087	16,062
Net book value				
At 31 March 2017	83,765	-	56,800	140,565
At 31 March 2016	270,097	237,236	21,956	529,289

Notes to the Financial Statements

For the Financial year ended 31 March 2018

9. Stocks

	2018	2017
	€	€
Raw materials and consumables	**125,600**	545,511
	125,600	545,511

There are no material differences between the replacement cost of stock and the balance sheet amounts.

10. Debtors

	2018	2017
	€	€
Due after more than one year		
Deferred tax assset	**14,459**	12,878
Finance lease receivables	**1,255,847**	520,481
	1,270,306	533,359
Due within one year		
Trade debtors	**12,850,470**	728,855
Amounts owed by group undertakings	**9,163,964**	5,418,922
Finance lease receivables	**906,241**	315,874
Other debtors	**22,715**	11,706
Prepayments and accrued income	**876,329**	342,034
	23,819,719	6,817,391

Amounts owed by group undertakings are unsecured, receivable on demand and non-interest bearing.

11. Cash and cash equivalents

	2018	2017
	€	€
Cash at bank and in hand	**4,433,714**	-
	4,433,714	-

12. Creditors : Amounts falling due within one year

	2018	2017
	€	€
Bank overdraft	-	354,382
Trade creditors	**618,959**	281,971
Amounts owed to group undertakings	**20,703,060**	4,285,661
Corporation tax	**218,908**	42,423
Taxation and social insurance	**2,368,391**	302,760
Other creditors	**51,889**	22,606
Accruals and deferred income	**2,832,088**	1,435,442
	26,793,295	6,725,245

Trade and other creditors are payable at various dates in accordance with the supplier's usual and customary credit terms.

All taxes including social insurance are repayable at various dates over the coming months in accordance with the applicable statutory provisions.

Amounts due to group undertakings in relation to short term loans are unsecured, attract interest at Libor plus 100bps and are repayble on demand.

	2018	2017
	€	€
Other taxation and social insurance		
PAYE/PRSI control	**416,034**	302,760
	416,034	302,760

Notes to the Financial Statements

For the Financial year ended 31 March 2018

13. Share capital

	2018	2017
	€	€
Shares presented as equity		
Authorised		
500000 Ordinary shares of €10 each	**5,000,000**	5,000,000
Alloted, called up and fully paid		
10000 Ordinary shares of €10 each	**100,000**	100,000

14. Reserves

Profit and loss account

Includes all current and prior period retained profits and losses.

15. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cosat charge represents contribution payable by the Company to the fund and amounted to € 33,183 (2017: €8,898).

16. Commitments under operating leases

At 31 March 2018 the Company had future minimum lease payments under non-cancellable operating lease as follows:

	2018	2017
	€	€
Not later than 1 year	**1,052,048**	968,084
Later than 1 year and not later than 5 years	**3,977,291**	3,872,336
Later than 5 years	**2,238,528**	3,206,612
	7,267,867	8,047,032

Notes to the Financial Statements

For the Financial year ended 31 March 2018

17. Auditors' remuneration

	Year ended **31 March 2018** €	Year ended 31 March 2017 €
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	**17,500**	15,000
	17,500	15,000

18. Related party transactions

The company has avail of the exemption in FRS102 Section 33, Paragraph 33.7 which allows nondisclosure of transaction between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member and this information is included in the consolidated financial statements of HCL Technologies Limited as at 31 March 2018 and these financial statements may be obtained from he Companies Registry in India.

19. Previous year comparative

Previous year figures have been rearranged to confirm to the current year's classification.

20. Controlling party

The parent company is HCL Technologies UK Limited, a company registered in the United Kingdom. The ultimate parent company is HCL Technologies Limited, a company registerd in India. The results for the year are consolidated within HCL Technolgies Limited, the consolited financial statements are available at www.hcltech.com.

21. Approval of financial statements

The board of directors approved these financial statements for issue on 08 June 2018.

HCL (Ireland) Information Systems Limited

Management information

For the year ended 31 March 2018

Detailed profit and loss account

For the Year ended 31 March 2018

	Year ended 31 March 2018 €	Year ended 31 March 2017 €
Turnover	57,634,584	28,170,033
Cost of sales	(52,052,325)	(24,048,234)
Gross profit	5,582,259	4,121,799
Gross profit %	9.69%	14.63%
Less : overheads		
Selling and distribution expenses	(873,957)	(638,766)
Administrative expenses	(2,579,382)	(2,535,200)
Other operating income	13,143	48,063
Operating profit	2,142,063	995,896
Interest payable and expenses	(117,202)	(136,215)
Profit before tax	2,024,861	859,681
Tax on profit on ordinary activities	(350,984)	(133,594)
Profit for the financial year	1,673,877	726,087

Schedule to the Detailed Accounts

For the Financial year ended 31 March 2018

	2018	2017
	€	€
Turnover		
Sales - Domestic - Software inome	**48,554,646**	25,879,250
Sales - Domestic - Product sales	**2,710,831**	846,475
Sales - Rest of world	**6,369,107**	1,444,308
	57,634,584	28,170,033

	2018	2017
	€	€
Cost of sales		
Cost of products sold	**2,391,335**	735,975
Wages and salaries	**16,066,595**	16,223,559
Social welfare costs	**1,775,452**	1,854,387
Other pension costs	**33,183**	8,898
Light, heat and power	**1,384**	3,640
Rate and taxes	**35,860**	17,917
Travel and substinence	**203,041**	56,336
Consulting charges - Group	**28,143,193**	2,969,119
Consulting charges - Others	**3,141,097**	1,942,109
Recruitment costs	**114,433**	113,549
Repairs and maintenance	**26,327**	37,873
Communication	**35,155**	(5,006)
Training costs	**2,124**	6,503
Other project costs	**71,020**	80,060
Staff welfare	**12,126**	3,315
	52,052,325	24,048,234

	2018	2017
	€	€
Selling and distribution expenses		
Salaries and wages	**747,010**	566,671
Distribution	**43,103**	25,958
Miscellaneous costs	**83,844**	46,137
	873,957	638,766

HCL (Ireland) Information Systems Limited

Schedule to the Detailed Accounts

For the Financial year ended 31 March 2018

	2018	2017
	€	€
Administration expenses		
Staff salaries	**586,449**	373,870
Staff welfare	**874**	-
Hotels, travel and subsistence	**12,701**	8,542
Printing and stationery	**3,813**	33,731
General office expenses	**9,338**	5,885
Trade subscriptions	**103**	486
Legal and professional	**155,886**	76,713
Auditors' remuneration	**17,500**	15,000
Rent - operating leases	**691,591**	967,434
Rates	**158,040**	-
Light and heat	**322,737**	836,340
Insurances	**20,186**	19,913
Repairs and maintenance	**597,570**	137,541
Depreciation - plant and machinery	**18,077**	2,911
Depreciation - computer equipment	**14,021**	12,042
Depreciation - fixtures and fittings	**673**	-
Staff recruitment	**(30,177)**	44,792
	2,579,382	2,535,200

	2018	2017
	€	€
Other miscellaneous income	**-**	(77,855)
Foreign exchange difference	**(13,143)**	29,792
	(13,143)	(48,063)

	2018	2017
	€	€
Interest payable and expenses		
Bank overdraft interest payable	**-**	90
Group interest payable	**99,814**	132,969
Bank charges	**17,388**	3,156
	117,202	136,215