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# HCL Technologies Greece Single Member P.C

## Standalone Financial Statements

For the year ended 31 March 2018

**INDEPENDENT AUDITOR'S REPORT**

To the Members of HCL Technologies Greece Single Member P.C.

**Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS financial statements of HCL Technologies Greece Single Member P.C. ("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 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**

Chartered Accountants

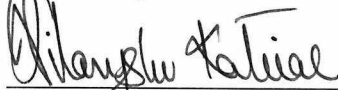
## **Other matters**

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.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Nilangshu Katriar

Partner

Membership Number: 58814



Place: Gurgaon

Date: July 06, 2018

HCL Technologies Greece Single Member P.C

Balance Sheet as at 31 March 2018

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

	Note No.	As at 31 March 2018 (EUR)	As at 31 March 2017 (EUR)	As at 31 March 2018 Refer Note 1(a) (₹)
<b>I. ASSETS</b>				
(1) Non-current assets				
(a) Property, Plant and Equipment	2.1	59	21	4,699
(b) Capital work in progress		-	1	-
(c) Deferred Tax Assets (Net)	2.16	5	1	374
(2) Current assets				
(a) Inventories	2.2	8	-	651
(b) Financial Assets				
(i) Trade receivables	2.3	295	365	23,803
(ii) Cash and cash equivalents	2.4	526	445	42,549
(iii) Unbilled revenue	2.5	-	15	-
(c) Other current assets	2.6	3	13	267
<b>TOTAL ASSETS</b>		<b>896</b>	<b>861</b>	<b>72,343</b>
<b>II. EQUITY</b>				
(a) Equity Share Capital	2.7	441	441	35,636
(b) Other Equity		58	12	4,790
<b>III. LIABILITIES</b>				
(1) Current liabilities				
(a) Financial Liabilities				
(i) Trade payables	2.8	337	333	27,259
(ii) Others	2.9	12	71	757
(b) Other current liabilities	2.10	35	4	2,842
(c) Current Tax Liabilities (Net)		13	-	1,059
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>896</b>	<b>861</b>	<b>72,343</b>

Summary of significant accounting policies 1

The accompanying notes are an integral part of the financial statements

As per our report of even date

FOR S. R. BATLIBOI & CO. LLP

ICAI Firm Registration Number : 301003E/E300005

Chartered Accountants

*Nilangshu Katriar*  
per Nilangshu Katriar  
Partner

Membership Number: 58814

Gurgaon, India

Date: 06 July, 2018



For and on behalf of the Board of Directors

of HCL Technologies Greece Single Member P.C

*Ramachandran Sundararajan*  
Ramachandran Sundararajan  
Director

Date: 06 July, 2018

HCL Technologies Greece Single Member P.C  
Statement of Profit and Loss for the year ended 31 March 2018  
(All amounts in thousands except share data and as stated otherwise)

	Note No.	Year ended 31 March 2018 (EUR)	Year ended 31 March 2017 (EUR)	Year ended 31 March 2018 Refer Note 1(a) (₹)
<b>I Revenue</b>				
Revenue from operations	2.11	716	677	57,850
Other income	2.12	11	7	893
<b>Total revenue</b>		<b>727</b>	<b>684</b>	<b>58,743</b>
<b>II Expenses</b>				
Purchase of traded goods		10	4	815
Changes in inventories of stock in trade	2.13	(8)	8	(651)
Finance costs	2.14	6	3	508
Depreciation expense	2.1	21	3	1,706
Outsourcing costs		605	618	48,865
Other expenses	2.15	27	28	2,149
<b>Total expenses</b>		<b>661</b>	<b>664</b>	<b>53,392</b>
<b>III Profit before tax</b>		<b>66</b>	<b>20</b>	<b>5,351</b>
<b>IV Tax expense</b>				
Current tax		23	8	1,821
Deferred tax credit	2.16	(3)	(1)	(261)
<b>Total tax expense</b>		<b>20</b>	<b>7</b>	<b>1,560</b>
<b>V Profit for the year</b>		<b>46</b>	<b>13</b>	<b>3,791</b>
<b>VI Other comprehensive income</b>				
Items that will not be reclassified to profit / (loss)		-	-	-
Items that will be reclassified subsequently to profit / (loss)		-	-	-
<b>VII Total Comprehensive income for the year</b>		<b>46</b>	<b>13</b>	<b>3,791</b>
<b>Earnings per equity share of EUR 1 each</b>	2.18			
Basic		0.10	0.03	8.41
Diluted		0.10	0.03	8.41

Summary of significant accounting policies 1

The accompanying notes are an integral part of the financial statements

As per our report of even date

FOR S. R. BATLIBOI & CO. LLP

ICAI Firm Registration Number: 301003E/E300005

Chartered Accountants

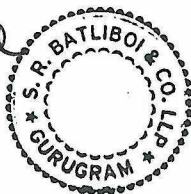
*Nilangshu Katriar*  
per Nilangshu Katriar

Partner

Membership Number: 58814

Gurgaon, India

Date: 06 July, 2018



For and on behalf of the Board of Directors  
of HCL Technologies Greece Single Member P.C

Ramachandran Sundararajan  
Director

*Rc*  
*wn*

Date: 06 July, 2018

HCL Technologies Greece Single Member P.C  
Statement of Changes in Equity for the year ended 31 March 2018  
(All amounts in thousands except share data and as stated otherwise)

	Equity share capital		Other Equity		Amount in EUR
	Shares	Share capital	Share application money pending allotment	Reserves and Surplus	Total Equity
Balance as of 1 April 2016	50,000	50	391	(1)	390
Profit for the year	-	-	-	13	13
Other comprehensive income / (loss)	-	-	-	-	-
Issue of equity shares on exercise of application money pending allotment	391,000	391	(391)	-	(391)
Balance as of 31 March 2017	441,000	441	-	12	12
Balance as of 1 April 2017	441,000	441	-	12	12
Profit for the year	-	-	-	46	46
Other comprehensive income / (loss)	-	-	-	-	-
Total comprehensive income for the year	-	-	-	46	46
Balance as of 31 March 2018	441,000	441	-	58	58

	Equity share capital		Other Equity		Amount in (₹)
	Shares	Share capital	Share application money pending allotment	Reserves and Surplus	Total Equity
Balance as of 1 April 2017	441,000	35,636	-	999	999
Profit for the year	-	-	-	3,791	3,791
Other comprehensive income / (loss)	-	-	-	-	-
Total comprehensive income for the year	-	-	-	3,791	3,791
Balance as of 31 March 2018	441,000	35,636	-	4,790	4,790

Summary of significant accounting policies (Note 1)

The accompanying notes are an integral part of the financial statements

As per our report of even date.

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

*Nilangshu Katriar*  
per Nilangshu Katriar  
Partner  
Membership Number: 58814



Gurgaon, India  
Date: 06 July, 2018

For and on behalf of the Board of Directors  
HCL Technologies Greece Single Member P.C

Ramachandran Sundararajan  
Director

*Rcd*  
*wv*

Date: 06 July, 2018



HCL Technologies Greece Single Member P.C  
Statement of cash flow for the year ended 31 March 2018  
(All amounts in thousands except share data and as stated otherwise)

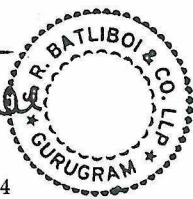
	Year ended 31 March 2018 (EUR)	Year ended 31 March 2017 (EUR)	Year ended 31 March 2018 Refer Note 1(a) (₹)
<b>A. Cash flows from operating activities</b>			
Profit before tax	66	20	5,351
<b>Adjustment for:</b>			
Depreciation	21	3	1,706
<b>Operating profit before working capital changes</b>	<b>87</b>	<b>23</b>	<b>7,057</b>
<b>Movement in Working Capital</b>			
(Increase)/decrease in trade receivables	71	(252)	5,724
(Increase)/decrease in inventories	(8)	8	(651)
(Increase)/decrease in other financial assets and other assets	16	(18)	1,318
Increase/ (decrease) in trade payables	4	93	342
Increase/ (decrease) in other financial liabilities	(48)	53	(3,880)
Increase/ (decrease) in provisions and other liabilities	30	(6)	2,401
<b>Cash generated from/(used in) operations</b>	<b>152</b>	<b>(99)</b>	<b>12,311</b>
Direct taxes paid (net of refunds)	-	(20)	-
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>152</b>	<b>(119)</b>	<b>12,311</b>
<b>B. Cash flows from investing activities</b>			
Purchase of property, plant and equipment, including capital work in progress and capital advances	(71)	(14)	(5,720)
<b>Net cash used in investing activities (B)</b>	<b>(71)</b>	<b>(14)</b>	<b>(5,720)</b>
Net increase / (decrease) in cash and cash equivalents (A+B)	81	(133)	6,591
Cash and cash equivalents at the beginning of the year	445	578	35,958
<b>Cash and cash equivalents at the end of the year (refer note 2.4)</b>	<b>526</b>	<b>445</b>	<b>42,549</b>
<b>Summary of significant accounting policies ( Note 1)</b>			

The accompanying notes are an integral part of the financial statements

As per our report of even date.

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

per Nilangshu Katriar  
Partner  
Membership Number: 58814



Gurgaon, India  
Date: 06 July, 2018

For and on behalf of the Board of Directors  
HCL Technologies Greece Single Member P.C

Ramachandran Sundararajan  
Director

*Handwritten signature of Ramachandran Sundararajan*

Date: 06 July, 2018

## **HCL Technologies Greece Single Member P.C.**

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

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

### **ORGANIZATION AND NATURE OF OPERATIONS**

HCL Technologies Greece Single Member P.C. (hereinafter referred to as 'The Company') is a Business Transformation consultancy company aiming to provide medium and large size organizations with Business Transformation solutions that encompass all elements of Business Consulting, Solution Implementation and ongoing Application Management. The Company was incorporated on 30 September 2014 in Greece.

The financial statements for the year ended 31 March, 2018 were approved and authorized for issue by the Board of Directors on 6 July, 2018.

#### **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) as applicable to the HCL Technologies Limited (ultimate holding company).

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.

The functional currency of the Company is EURO. The translation from EUR to ₹ is unaudited and is included solely for the convenience of readers in India and has been performed using rate of EUR 1 = ₹ 80.8081/-, 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, EUR at that or any other rate.

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

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

Changes in estimates are reflected in the financial statements in the period in which the changes are made. Actual results could differ from those estimates.

##### **c) Inventories**

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.





## HCL Technologies Greece Single Member P.C.

Notes to financial statements for the year ended 31 March 2018

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

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.

### d) 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 assets as a whole.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard or period of performance. All other expenses on existing fixed assets, 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 property, plant and equipment 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 before 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.

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

	Life (in years)
Computer	3-5

The useful life as given above best represent the period over which the management expects to use these assets, based on technical assessment. Hence, the useful life for the assets is different from the useful life 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.

### 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.



## HCL Technologies Greece Single Member P.C.

Notes to financial statements for the year ended 31 March 2018

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

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 entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The prescribed fair value hierarchy and related valuation methodologies are as follows:

Level 1 - Quoted inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 - Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-derived valuations, in which all significant inputs are directly or indirectly observable in active markets.

Level 3 - Valuations derived from valuation techniques, in which one or more significant inputs are unobservable inputs which are supported by little or no market activity.

In accordance with Ind AS 113, assets and liabilities are to be measured based on the following valuation techniques:

- i. Market approach - Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.
- ii. Income approach - Converting the future amounts based on market expectations to its present value using the discounting methodology.
- iii. Cost approach - Replacement cost method.

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

### 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.

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.

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



## **HCL Technologies Greece Single Member P.C.**

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

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

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 is also deferred. Revenue from maintenance services is recognized ratably over the period of the contract.

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.

### **g) Foreign currency transactions**

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

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined.

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

### **h) Taxation**

Income tax expense comprises current and deferred income tax.

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

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period 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.

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 company and the same taxation authority.



**HCL Technologies Greece Single Member P.C.**  
**Notes to financial statements for the year ended 31 March 2018**  
**(All amounts in thousands except share data and as stated otherwise)**

**i) Financial Instruments**

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**i. Financial assets: Initial recognition and measurement**

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

**ii. Financial liabilities - Initial recognition and measurement**

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.

**j) Earnings per share**

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

**k) Provisions**

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

**l) Contingent liabilities**

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

**m) Cash and cash equivalents**

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



## **HCL Technologies Greece Single Member P.C.**

Notes to financial statements for the year ended 31 March 2018

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

### **n) 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.



HCL Technologies Greece Single Member P.C  
Notes to financial statements for the year ended 31 March 2018  
(All amounts in thousands except share data and as stated otherwise)

2.1 Property, plant and equipment

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

	Computers	Computers
	(EUR)	(₹)
Gross block as at 1 April 2017	24	1,900
Additions	59	4,729
Disposal	-	-
Gross block as at 31 March 2018	83	6,629
Accumulated depreciation as at 1 April 2017	3	224
Charge for the year	21	1,706
Disposal	-	-
Accumulated depreciation as at 31 March 2018	24	1,930
Net block as at 31 March 2018	59	4,699

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

	Computers
	(EUR)
Gross block as at 1 April 2016	-
Additions	24
Disposal	-
Gross block as at 31 March 2017	24
Accumulated depreciation as at 1 April 2016	-
Charge for the year	3
Disposal	-
Accumulated depreciation as at 31 March 2017	3
Net block as at 31 March 2017	21





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2.2 Inventories

	As at		
	31 March 2018	31 March 2017	31 March 2018
	(EUR)	(EUR)	(₹)
Stock in trade	8	-	651
	8	-	651

2.3 Trade Receivable

	As at		
	31 March 2018	31 March 2017	31 March 2018
	(EUR)	(EUR)	(₹)
<b>Current</b>			
Unsecured considered good	295	365	23,803
Unsecured considered doubtful	12	1	962
	307	366	24,765
Provision for doubtful receivables	(12)	(1)	(962)
	295	365	23,803

Note:- Trade Receivable includes receivable from related party amounting to EUR 66 (Previous Year EUR 220) refer note no 2.19

2.4 Cash and cash equivalents

	As at		
	31 March 2018	31 March 2017	31 March 2018
	(EUR)	(EUR)	(₹)
Balance with banks			
- in current accounts	526	445	42,549
	526	445	42,549

2.5 Other financial assets

	As at		
	31 March 2018	31 March 2017	31 March 2018
	(EUR)	(EUR)	(₹)
<b>Current</b>			
Carried at amortized cost			
Unbilled revenue	-	15	-
	-	15	-

2.6 Other current assets

	As at		
	31 March 2018	31 March 2017	31 March 2018
	(EUR)	(EUR)	(₹)
VAT receivable	-	4	-
Duties & taxes recoverable	-	9	-
Others	3	-	267
	3	13	267



## 2.7 Share Capital

	As at		
	31 March 2018	31 March 2017	31 March 2018
	(EUR)	(EUR)	(€)
Authorized			
441,000 Equity shares of EUR 1 each (Previous year 441,000 of EUR 1 each)	441	441	35,636
Issued, subscribed and fully paid up			
441,000 Equity shares of EUR 1 each (Previous year 441,000 of EUR 1 each)	441	441	35,636
Terms/ rights attached to equity shares			

The Company has only one class of shares referred to as equity shares having a par value of EUR 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.

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

	As at			
	31 March 2018		31 March 2017	
	No. of shares	Amount (EUR)	No. of shares	Amount (EUR)
Number of shares at the beginning	441,000	441	50,000	50
Add: Shares issued during the year	-	-	391,000	391
Number of shares at the end	441,000	441	441,000	441

Shares held by holding/ultimate holding Company and/or their subsidiaries/associates:-

Name of the shareholder	As at			
	31 March 2018		31 March 2017	
	No. of shares	% of Holding	No. of shares	% of Holding
Equity shares of EUR 1 each fully paid				
HCLT UK Limited, Holding Company	441,000	100%	441,000	100%

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

Name of the shareholder	As at			
	31 March 2018		31 March 2017	
	No. of shares	% of Holding	No. of shares	% of Holding
Equity shares of EUR 1 each fully paid				
HCLT UK Limited, Holding Company	441,000	100%	441,000	100%

As per the records of the Company, including its register of shareholders/ members, the above shareholding represents both legal and beneficial ownership of shares.

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

## Capital management

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

## 2.8 Trade payables

	As at		
	31 March 2018	31 March 2017	31 March 2018
	(EUR)	(EUR)	(€)
Trade payables	9	16	761
Trade payables-related party (refer note:2.19)	328	317	26,498
	337	333	27,259

## 2.9 Other financial liabilities

	As at		
	31 March 2018	31 March 2017	31 March 2018
	(EUR)	(EUR)	(€)
Current			
Carried at amortised cost			
Capital accounts payables	-	11	-
Liabilities for expenses	11	10	714
Liabilities for expenses-related party (refer note:2.19)	1	50	43
	12	71	757

## 2.10 Other current liabilities

	As at		
	31 March 2018	31 March 2017	31 March 2018
	(EUR)	(EUR)	(€)
Revenue received in advance	14	4	1,122
Others			
VAT payable	21	-	1,720
	35	4	2,842



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2.11 Revenue from operations

	Year ended 31 March 2018 (EUR)	Year ended 31 March 2017 (EUR)	Year ended 31 March 2018 (₹)
Sale of services	713	673	57,606
Sale of hardware and software	3	4	244
	716	677	57,850

2.12 Other income

	Year ended 31 March 2018 (EUR)	Year ended 31 March 2017 (EUR)	Year ended 31 March 2018 (₹)
Exchange differences (net)	11	7	893
	11	7	893

2.13 Changes in inventories of stock in trade

	Year ended 31 March 2018 (EUR)	Year ended 31 March 2017 (EUR)	Year ended 31 March 2018 (₹)
Opening stock	-	8	-
Closing stock	8	-	651
	(8)	8	(651)

2.14 Finance cost

	Year ended 31 March 2018 (EUR)	Year ended 31 March 2017 (EUR)	Year ended 31 March 2018 (₹)
Bank charges	6	3	508
	6	3	508

2.15 Other expenses

	Year ended 31 March 2018 (EUR)	Year ended 31 March 2017 (EUR)	Year ended 31 March 2018 (₹)
Legal and professional charges	11	25	852
Rates and taxes	5	2	384
Provision for doubtful debts	11	1	913
	27	28	2,149



## 2.16 Income taxes

The reconciliation between the provision for income tax and amount computed by applying the statutory income tax rate is as follows:

	Year ended 31 March 2018 (EUR)	Year ended 31 March 2017 (EUR)	Year ended 31 March 2018 (€)
Profit before income tax	66	20	5,351
Statutory tax rate	29.00%	29.00%	29.00%
Expected tax expense	19	6	1,479
Reversal of prior year provision	-	1	-
Others	1	-	81
<b>Total taxes</b>	<b>20</b>	<b>7</b>	<b>1,560</b>
Effective income tax rate	30.51%	35.02%	30.51%

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

	Opening balance	Recognized in profit and loss	Recognised in/ reclassified from OCI	Amount in (EUR) Closing balance
<b>Deferred tax assets</b>				
Accumulated losses	1	(1)	-	-
Provision for doubtful debts	-	2	-	2
Depreciation and amortization	-	3	-	3
<b>Net deferred tax assets</b>	<b>1</b>	<b>3</b>	<b>-</b>	<b>5</b>

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

	Opening balance	Recognized in profit and loss	Recognised in/ reclassified from OCI	Amount in (EUR) Closing balance
<b>Deferred tax assets</b>				
Accumulated losses	-	1	-	1
<b>Net deferred tax assets</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>1</b>

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

	Opening balance	Recognized in profit and loss	Recognised in/ reclassified from OCI	Amount in (€) Closing balance
<b>Deferred tax assets</b>				
Accumulated losses	113	(113)	-	-
Provision for doubtful debts	-	140	-	140
Depreciation and amortization	-	234	-	234
<b>Net deferred tax assets</b>	<b>113</b>	<b>261</b>	<b>-</b>	<b>374</b>



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Notes to financial statement for the year ended 31 March 2018

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## 2.17 Segment Reporting

The company operations predominantly relate to providing a range of IT services. 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 to several customers. Infrastructure management services involve managing customer's IT assets effectively.

The Chief Operating Decision Maker ("CODM") evaluates the company 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.

Segment revenue from customers by geographical area based on geographical location of the customer and segment assets are by geographical location of the assets. The principal geographical segments of the company have been classified as America, Europe, India and others.

The CODM assesses the performance of the operating segments based on a measure of segment earnings.

## 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, exchange difference.

### 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 total assets and liabilities.

Financial information about the business segments for the year ended 31 March 2018 is as follows

(Amount in EUR)

	Software services	Infrastructure services	Segment Total
Segment Revenue	258	458	716
Segment Results	46	15	61
Finance cost			6
Other Income			11
Profit before tax			66
Tax Expense			20
Net Profit after tax			46

(Amount in ₹)

	Software services	Infrastructure services	Segment Total
Segment Revenue	20,844	37,006	57,850
Segment Results	3,748	1,228	4,976
Finance cost			508
Other Income			893
Profit before tax			5,351
Tax Expense			1,560
Net Profit after tax			3,791

Financial information about the business segments for the year ended 31 March 2017 is as follows

(Amount in EUR)

	Software services	Infrastructure services	Segment Total
Segment Revenue	205	472	677
Segment Results	13	3	16
Finance cost			3
Unallocated cost			0
Other Income			7
Profit before tax			20
Tax Expense			7
Net Profit after tax			13

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

	Year ended 31 March 2018 (EUR)	Year ended 31 March 2017 (EUR)	Year ended 31 March 2018 (₹)
India	258	205	20,859
Europe	455	457	36,706
America	0	-	29
Others	3	15	256
	716	677	57,850

During the years ended 31 March 2018 and 2017, four and two customers represent 10% or more of the company's total revenue and accounted for 99% and 88% respectively.



2.18 Earnings per share(EPS)

	As at		
	31 March 2018	31 March 2017	31 March 2018
	(EUR)	(EUR)	(₹)
Net Profit/(loss) as per statement of profit and loss for computation of EPS	46	13	3,791
Weighted average number of equity shares outstanding in calculating Basic EPS	441,000	404,578	441,000
Weighted average number of equity shares outstanding in calculating Dilutive EPS	-	-	-
Nominal value of equity shares	1	1	80.81
<b>Earning per equity share</b>			
Basic	0.10	0.03	8.41
Diluted	0.10	0.03	8.41

2.19 Related party transaction

a) Related parties where control exists

**Holding company**

HCL Technologies UK limited

**Ultimate Holding company**

HCL Technologies limited

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

**Holding company**

HCL Technologies UK limited

**Fellow subsidiary**

HCL Tech Ltd Finland

HCL Technologies Middle East

HCL GmbH

HCL Technologies B.V.

HCL (Brazil) Technologia

HCL Tech Denmark ApS

HCL Axon Malaysia Sdn Bhd

HCL Japan Limited

HCL Technologies Colombia

HCL ITALY S.R.L.

HCL Axon (Pty) Ltd

HCL Hong Kong SAR Limited

HCL Great Britain Ltd.

HCL (NEWZEALAND) LIMITED

HCL Tech Norway AS

HCL Technologies Estonia

HCL Singapore Pte Limited

PT. HCLT Indonesia

HCL AMERICA INC.

c) Transactions with related parties

	Ultimate Holding Company			Holding Company			Fellow subsidiaries		
	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended
	31 March 2018	31 March 2017	31 March 2018	31 March 2018	31 March 2017	31 March 2018	31 March 2018	31 March 2017	31 March 2018
	(EUR)	(EUR)	(₹)	(EUR)	(EUR)	(₹)	(EUR)	(EUR)	(₹)
Revenues	258	205	20,859	-	-	-	4	15	333
Outsourcing Costs	234	-	18,907	-	87	-	164	360	13,375

d) Outstanding balances with related parties

	Ultimate Holding Company			Holding Company			Fellow subsidiaries		
	Year ended	Year ended	Year ended	As at			As at		
	31 March 2018	31 March 2017	31 March 2018	31 March 2018	31 March 2017	31 March 2018	31 March 2018	31 March 2017	31 March 2018
	(EUR)	(EUR)	(₹)	(EUR)	(EUR)	(₹)	(EUR)	(EUR)	(₹)
Liability for Expenses	-	-	-	-	-	-	1	50	43
Trade payable	119	-	9,632	87	87	7,009	122	231	9,857
Trade Receivables	48	205	3,918	-	-	-	18	15	1,509

2.20 Capital commitments

	As at		
	31 March 2018	31 March 2017	31 March 2018
	(EUR)	(EUR)	(₹)
<b>Capital commitments</b>			
Estimated Amount of unexecuted capital contracts (net of advances)	44	15	3,583
<b>Total</b>	44	15	3,583

2.21 Financial Instruments

**Financial Assets and Liabilities**

The carrying value of Financial instruments by categories is as follows:

	31 March 2018		31 March 2017		31 March 2018	
	Amortised Cost	Total carrying value	Amortised Cost	Total carrying value	Amortised Cost	Total carrying value
	(EUR)	(EUR)	(EUR)	(EUR)	(₹)	(₹)
<b>Financial Assets</b>						
Trade receivables	295	295	365	365	23,803	23,803
Cash and cash equivalents	526	526	445	445	42,549	42,549
Others (Refer note: 2.5)	-	-	15	15	-	-
<b>Total</b>	821	821	826	826	66,352	66,352
<b>Financial Liabilities</b>						
Trade payables	337	337	333	333	27,259	27,259
Others (Refer note: 2.9)	12	12	71	71	757	757
<b>Total</b>	349	349	404	404	28,016	28,016





## 2.21 Financial Instruments (Continued)

### (b) Financial risk management

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

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

Appreciation / depreciation of 1% in respective foreign currencies with respect to functional currency of the Company would result in decrease / increase in the Company's profit before tax by approximately EUR 1,256 for the year ended 31 March, 2018.

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

Non-derivative foreign currency exposure as of 31 March, 2018, 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)	(EUR)	(EUR)	(EUR)
USD/EUR	1	5	15	20
GBP/EUR	-	-	-	23
SGD/EUR	-	-	-	77
BRL/EUR	-	-	82	-
ZAR/EUR	-	-	14	-

#### (ii) Interest rate risk

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

#### Credit risk

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

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

	As at	
	31 March 2018	31 March 2017
	(EUR)	(EUR)
Balance at the beginning of the year	1	-
Additional provision during the year	11	1
Deductions on account of write offs and collections	-	-
Effect of exchange rates changes	-	-
Balance at the end of the year	12	1

#### 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.

## 3. Previous year comparatives

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

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

per Nilangshu Katriar  
Partner  
Membership Number: 58814

Gurugram, India  
Date: 06 July, 2018

For and on behalf of the Board of Directors  
of HCL Technologies Greece Single Member P.C

Ramachandran Sundararajan  
Director

Date: 06 July, 2018

