S.V. GHATALIA & ASSOCIATES LLP
Chartered Accountants

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

INDEPENDENT AUDITOR'S REPORT

To the Members of Statestreet HCL Services (India) Private Limited

Report on the Financial Statements

We have audited the accompanying Financial Statements of Statestreet HCL Services (India) Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the financial year (nine months period – July 1, 2015 to March 31, 2016) 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 matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 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 Financial Statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. 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.

S.V. GHATALIA & ASSOCIATES LLP * GURGAON *

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 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 financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 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 Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2016, its profit/loss, and its cash flows for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 2" to this report;

S.V. GHATALIA & ASSOCIATES LLP GURGAON

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

For S.V. GHATALIA & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration Number: 103162W/E300006

per Vishal Arora
Partner
Membership Number: 095788

Place of Signature: Gurgaon, India
Date: July 25, 2016

Annexure 1 referred to in paragraph 1 of the section on "Report on Other Legal and Regulatory Requirements" of our report of even date
Re: Statestreet HCL Services (India) Private Limited (the Company)

(i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) All fixed assets were physically verified by the management in accordance with a planned programme of verifying them in phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification conducted during the financial year.

c) The Company does not have Immovable Property therefore paragraph 4(iii) of the Order, relating to fixed assets is not applicable to company.

(ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 4(ii) of the Order are not applicable to the Company.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits from the public.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the services of the Company.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.

(viii) Company does not have any dues from financial institution, bank or debenture holders or government, therefore paragraph 4(viii) of the Order, is not applicable to company.

S.V. GHATALIA & ASSOCIATES LLP GURGAON

(ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further /public offer / debt instruments) and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no material fraud by the officers and employees of the Company has been noticed or reported during the financial year.

(xi) Company has not paid any managerial remuneration therefore paragraph 4(xi) of the Order, is not applicable to company.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the financial year under review and hence not commented upon.

(xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company

For S.V. GHATALIA & ASSOCIATES LLP
Chartered Accountants
ICAI Firm registration number: 103162W/E300006

per Vishal Arora
Partner
Membership Number: 095788

S.V. GHATALIA & ASSOCIATES LLP GURGAON

Place: Gurgaon
Date: July 25, 2016

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF STATESTREET HCL SERVICES (INDIA) PRIVATE LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

To the Members of Statestreet HCL Services (India) Private Limited

We have audited the internal financial controls over financial reporting of Statestreet HCL Services (India) Private Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the financial year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

S.V. GHATALIA & ASSOCIATES LLP GURGAON

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.V. GHATALIA & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration Number: 103162W/E300006

S.V. GHATALIA & ASSOCIATES LLP GURGAON

per Vishal Arora
Partner
Membership Number: 095788

Place: Gurgaon
Date: July 25, 2016

STATESTREET HCL SERVICES (INDIA) PRIVATE LIMITED

INDIAN - GAAP

FINANCIAL STATEMENTS

For the year ended 31 March 2016 and year ended 30 June 2015

STATESTREET HCL SERVICES (INDIA) PRIVATE LIMITED
Balance Sheet as at 31 March 2016
(All amounts in ₹ unless stated otherwise)

	Note No.	As at 31 March 2016	As at 30 June 2015
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	2.1	393,692,850	393,692,850
(b) Reserves and surplus	2.2	1,021,109,615	595,700,578
		1,414,802,465	989,393,428
(2) Non - current liabilities			
(a) Long term provisions	2.3	8,242,766	4,478,059
		8,242,766	4,478,059
(3) Current liabilities			
(a) Trade payables	2.4	114,321,976	31,387,355
(b) Other current liabilities	2.4	235,507,106	239,027,872
(c) Short term provisions	2.5	35,637,421	19,991,585
		385,466,503	290,406,812
TOTAL		1,808,511,734	1,284,278,299
II. ASSETS			
(1) Non-current assets			
(a) Fixed Assets			
(i) Tangible assets	2.6	341,817,123	201,161,541
(ii) Intangible assets	2.6	106,345,174	108,683,552
(iii) Capital work in progress		48,342,473	22,239,985
		496,504,770	332,085,078
(b) Deferred tax assets	2.7	10,959,664	8,223,707
(c) Long term loans and advances	2.8	244,451,940	144,397,951
(d) Other non-current assets	2.9	1,250,000	-
		753,166,374	484,706,736
(2) Current Assets			
(a) Trade receivables	2.10	391,632,556	235,738,623
(b) Cash and bank balances	2.11	413,916,393	328,500,133
(c) Short - term loans and advances	2.12	83,595,632	44,440,591
(d) Other current assets	2.13	166,200,779	190,892,216
		1,055,345,360	799,571,563
TOTAL		1,808,511,734	1,284,278,299
Summary of significant accounting policies	1		

The accompanying notes are an integral part of financial statements

As per our report of even date

For S. V. Ghatalia & Associates LLP
ICAI Firm Registration Number: 103162 W/E300006
Chartered Accountants

S.V. GHATALIA & ASSOCIATES LLP GURGAON

per Vishal Arora
Partner
Membership Number: 095788

Gurgaon, India
Date: July 25, 2016

For and on behalf of the Board of Directors
of Statestreet HCL Services (India) Private Limited

Prahlad Rai Bansal
Director

James C. Caccivio
Director

Shamsher Singh
Company Secretary

Noida (UP), India
Date: July 25, 2016

STATESTREET HCL SERVICES (INDIA) PRIVATE LIMITED
Statement of Profit and Loss for the year ended 31 March 2016
(All amounts in ₹ unless stated otherwise)

	Note No.	Year ended 31 March 2016 (Nine months) refer note 1(a)	Year ended 30 June 2015 (Twelve months)
Income			
Revenue from operations	2.14	1,746,616,717	1,437,869,299
Other income	2.15	21,319,761	32,149,280
Total revenue		1,767,936,478	1,470,018,579
Expenses			
Employee benefits expense	2.16	811,399,191	601,020,223
Finance costs	2.17	751,563	588,820
Depreciation and amortisation expense	2.6	53,271,271	44,665,527
Other expenses	2.18	462,692,166	391,884,503
Total expenses		1,328,114,191	1,038,159,073
Profit before tax		439,822,287	431,859,506
Tax expense			
Current tax		99,904,899	85,989,094
MAT credit entitlement		(82,755,692)	(68,238,878)
Deferred tax credit		(2,735,957)	(1,582,635)
Total tax expense		14,413,250	16,167,581
Profit for the year		425,409,037	415,691,925
Earnings per equity share of par value ₹ 10 each			
Basic and Diluted (₹)		10.81	10.56
Weighted average number of shares used in computing earning per equity share			
Basic and Diluted		39,369,285	39,369,285
Summary of significant accounting policies	1		

The accompanying notes are an integral part of financial statements

As per our report of even date

For S. V. Ghatalia & Associates LLP
ICAI Firm Registration Number: 103162 W/E 300006
Chartered Accountants

per Vishal Arora
Partner
Membership Number: 095788

Gurgaon, India
Date: July 25, 2016

For and on behalf of the Board of Directors
of Statestreet HCL Services (India) Private Limited

Prahlad Rai Bansal
Director

James C. Caccivio
Director

Shamsher Singh
Company Secretary

Noida (UP), India
Date: July 25, 2016

STATESTREET HCL SERVICES (INDIA) PRIVATE LIMITED

Cash flow statement

(All amounts in ₹)

	Year ended 31 March 2016 (Nine months) refer note 1(a)	Year ended 30 June 2015 (Twelve months)
A. Cash flows from operating activities		
Profit before tax	439,822,287	431,859,506
Adjustment for:		
Depreciation and amortization	53,271,271	44,665,527
Interest income	(20,173,061)	(23,994,811)
Other non cash (benefits)/charges	(1,146,699)	3,358,599
Operating profit before working capital changes	**471,773,798**	**455,888,821**
Movement in working Capital		
(Increase)/decrease in trade receivables	(155,893,934)	(83,406,930)
(Increase)/decrease in loans and advances	(56,453,338)	(21,471,795)
(Increase)/decrease in other assets	25,061,340	(117,831,315)
Decrease/ (Increase) in liabilities and provisions	142,317,589	25,567,782
Cash generated from operations	**426,805,455**	**258,746,563**
Direct taxes paid (net of refunds)	(89,566,195)	(67,929,591)
Net cash generated from operating activities (A)	**337,239,260**	**190,816,972**
B. Cash flows from investing activities		
Proceeds from bank deposit on maturity	714,000,000	368,700,000
Investments in bank deposits	(825,950,000)	(467,100,000)
Purchase of fixed assets, including capital work in progress and capital advances	(264,758,506)	(77,643,885)
Interest received	20,949,858	21,559,797
Taxes paid	(6,764,352)	(8,253,614)
Net cash used in investing activities (B)	**(362,523,000)**	**(162,737,702)**
Net increase in cash and cash equivalents (A+B)	(25,283,740)	28,079,270
Cash and cash equivalents at the beginning of the year	40,100,133	12,020,863
Cash and cash equivalents at the end of the year as per note 2.11	**14,816,393**	**40,100,133**

Summary of significant accounting policies (note 1)

As per our report of even date

For S. V. Ghatalia & Associates LLP
ICAI Firm Registration Number: 103162 W/E 300006
Chartered Accountants

per Vishal Arora
Partner
Membership Number: 095788

Gurgaon, India
Date: July 25, 2016

For and on behalf of the Board of Directors
of Statestreet HCL Services (India) Private Limited

Prahlad Rai Bansal
Director

James C. Caccivio
Director

Shamsher Singh
Company Secretary

Noida (UP), India
Date: July 25, 2016

Statestreet HCL Services (India) Private Limited
Notes to financial statements for the year ended 31 March 2016
(All amounts in ₹, except share data and as stated otherwise)

Company Overview

Statestreet HCL Services (India) Private Limited hereinafter referred to as the 'Company' was incorporated on January 6, 2012.The Company is primarily engaged in delivering business process outsourcing services to its client from its financial services vertical. The immediate holding company is State Street HCL Holdings (UK) Limited.

1. **Significant accounting policies**

a) **Basis of preparation**

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). These financial statements have been prepared to comply in all material aspects with the applicable accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared under the historical cost convention on an accrual and going concern.

The accounting policies adopted in the preparation of the financial statements are consistent with those of the previous year.

Section 2(41) of the Companies Act, 2013 requires all companies to have their financial year ending on 31st March. The Company has adopted this change from the current financial year and accordingly, the current financial year of the Company is for nine months period from 1 July 2015 to 31 March 2016 (herein after referred as "Year ended 31 March, 2016"). Accordingly, the figures for the current financial year are not comparable to those of the previous year.

b) **Use of estimates**

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c) **Tangibles fixed assets and capital work-in-progress**

Fixed assets are stated at the cost less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any 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 fixed asset, if they have a useful life that is materially different from that of the asset as a whole.

Subsequent expenditure related to an item of fixed assets is added to its book value only if it increases the future benefits from the existing assets beyond its previously assessed standard of performance. All other expenses on the existing fixed assets, including day to day repair and 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.

S.V. GHATALIA & ASSOCIATES LLP GURGAON

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount and are recognised in the Statement of Profit and Loss when the asset is derecognized.

Fixed assets under construction, and cost of assets not ready for use before the year-end, are disclosed as capital work in progress.

d) **Depreciation on tangible fixed assets**

Depreciation on tangible fixed assets 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 various tangible fixed assets for computing depreciation are as follows:

	Life (in years)
Plant and machinery (including air conditioners, electrical installations)	10
Office equipments	5
Computers	4-5
Furniture and fixtures	7
Leasehold-improvements	Over the lease period or useful life of the asset, whichever is lower

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

e) **Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in an amalgamation in the nature of purchase is their fair value as at date of amalgamation. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from the previous estimate, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefit from the asset, the amortization method is changed to reflect the changed pattern.

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

S.V. GHATALIA & ASSOCIATES LLP * GURGAON *

Goodwill comprising the excess of purchase consideration over the value of net assets acquired, is not amortized and is tested for impairment if indicators of impairment exists.

The management's estimates of the useful life of the Software as follows:

Fixed Asset	Life in Years
Software	3

f) **Leases**

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

g) **Impairment of tangible and intangible assets**

An assessment is done at each balance sheet date as to whether there is any indication that an asset (tangible or intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

h) **Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue from rendering of services is recognized when the benfits have been transferred to or received by the customer, the price of service is fixed or determinable and collectability is reasonably assured. The Company derives revenues primarily from

i) **Business process outsourcing services**

Revenue from business process outsourcing services is derived from both time based and unit-price contracts. Revenue is recognized as the related services are performed in accordance with the specific terms of the contracts with the customers.

Earnings in excess of billing are classified as unbilled revenue, while billing in excess of earnings are classified as unearned revenue. Revenue and related direct costs from transition services in outsourcing arrangements are deferred and recognized over the period of the arrangement. Certain upfront non-recurring costs incurred in the initial phases of outsourcing contracts and contract acquisition costs, are deferred and amortized usually on a straight line basis over the term of the contract.

Revenues are shown net of taxes and applicable discounts and allowances, if any.

S.V. GHATALIA & ASSOCIATES LLP
SUGK
GURGAON

ii) **Interest income**

Interest on the deployment of surplus funds is recognized using the time-proportion method, based on interest rates implicit in the transaction.

i) **Foreign currency translation**

i. **Initial Recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii. **Conversion**

Foreign currency monetary assets and liabilities are reported using the closing rate. Non-monetary assets and liabilities which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

iii. **Exchange Differences**

Exchange differences arising on the settlement of foreign currency monetary assets and liabilities, or on reporting such monetary assets and liabilities of the Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

j) **Retirement and other employee benefits**

i. Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for each period of service rendered by the employees. The company has no obligation, other than the contribution payable to the provident fund.

ii. Gratuity liability: The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year.

iii. Compensated absences: The employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation (using the Projected Unit Credit method) based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the Balance Sheet date. Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit and accumulated leave expected to be carried forward beyond twelve months is treated as long-term employee benefit for measurement purposes. The expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

S.V. GHATALIA & ASSOCIATES LLP * GURGAON *

iv. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

v. State Plans: The Company's contribution to State Plans, a defined contribution plan namely Employee State Insurance Fund and Employees Pension Scheme are charged to the statement of profit and loss for each period of service rendered by the employees.

k) Taxation

Tax expense comprises current and deferred tax. Current income tax expense comprises taxes on income from operations in India. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax expense or benefit is recognized on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. 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 tax assets and deferred tax liabilities relate to the taxes on income levied by the same governing taxation laws.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. In the situations where the company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate.

At each balance sheet date the Company re-assesses recognized and unrecognized deferred tax assets. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which the deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available. The Company recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The Company is subject to Minimum Alternative Tax (MAT) on their book profit, which gives rise to future economic benefit in the form of adjustment of future income tax liability. MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which MAT Credit becomes eligible to be recognized as an asset in accordance with the the guiding professional pronouncements, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the MAT Credit Entitlement at each balance sheet date and writes – down the carrying amount of the

S.V. GHAIALIA & ASSOCIATES LLP ★ GURGAON ★

MAT Credit Entitlement to the extent that there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

l) **Earnings per share**

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

Diluted earnings per share is computed by dividing the net profit after tax 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.

m) **Provisions**

A provision is recognized when there exists a present obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation. Provisions are not discounted to present value and are determined based on best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

n) **Contingent liabilities**

A contingent liability is a possible obligation that arises 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 recognised 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 recognised because it cannot be measured reliably. The company does not recognise a contingent liability but discloses its existence in the financial statements.

o) **Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short term deposit with banks with an original maturity of three months or less.

S.V. GHATALIA & ASSOCIATES LLP
GURGAON

STATESTREET HCL SERVICES (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended 31 March 2016
(All amounts in ₹ unless stated otherwise)

2. Notes to financial statements

2.1 Share Capital

	As at	
	31 March 2016	30 June 2015
Authorized		
50,000,000 equity shares of ₹ 10 each	500,000,000	500,000,000
Issued, subscribed and fully paid up		
39,369,285 (previous year 39,369,285) equity shares of ₹ 10 each fully paid up	393,692,850	393,692,850

The Company has only one class of shares issued referred to as equity shares having a par value of ₹ 10 /-. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Reconciliation of the shares held by holding company at the beginning and at the end of reporting period

	As at			
	31 March 2016		30 June 2015	
	No. of shares	(Amount in ₹)	No. of shares	(Amount in ₹)
Number of shares at the beginning	39,369,285	393,692,850	39,369,285	393,692,850
Add: Shares issued during the year	-	-	-	-
Number of shares at the end	39,369,285	393,692,850	39,369,285	393,692,850

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

Out of equity shares issued by the Company, shares held by its holding company, are as below :

	As at	As at
	31 March 2016	30 June 2015
State Street HCL Holding (UK) Limited, the holding company		
39,369,285 (previous year : 39,369,285) equity shares of ₹ 10 each fully paid up	393,692,850	393,692,850

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

	As at			
	31 March 2016		30 June 2015	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of ₹10 each fully paid				
State Street HCL Holding (UK) Limited, the holding company	39,369,285	100%	39,369,285	100%

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

There were no bonus shares issued, no share issued for consideration other than cash and no shares bought back during the year (previous year : nil).

S.V. GHATALIA & ASSOCIATES LLP * GURGAON *

STATESTREET HCL SERVICES (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended 31 March 2016
(All amounts in ₹ unless stated otherwise)

2.2 Reserves and surplus

	As at	
	31 March 2016	30 June 2015
Surplus in the statement of profit and loss		
Balance as per the last financial statements	595,700,578	180,008,653
Add: Profit for the year	425,409,037	415,691,925
Net surplus in the statement of profit and loss	1,021,109,615	595,700,578

2.3 Long term provisions

	As at	
	31 March 2016	30 June 2015
Provision for employee benefits		
Provision for gratuity (refer note 2.24)	7,931,018	4,421,983
Provision for other long term incentive	311,748	56,076
	8,242,766	4,478,059

2.4 Trade payable and other current liabilities

	As at	
	31 March 2016	30 June 2015
Trade payable		
Trade payables (refer note 2.23 for details of dues to micro and small enterprise)	39,043,213	11,076,637
Trade payables - related parties (refer note 2.20)	75,278,763	20,310,718
	114,321,976	31,387,355
Other current liabilities		
Capital accounts payable	19,971,090	67,038,635
Income received in advance - related parties (refer note 2.20)	10,129,317	34,173,340
Employee bonuses accrued	30,611,343	11,792,638
Other employee costs	32,356,142	15,517,506
Other liabilities		
Travel provision (net of advances)	2,079,981	2,381,614
Liabilities for expenses	110,316,917	79,249,963
Liabilities for expenses-related parties (refer note 2.20)	22,432,074	25,055,062
Withholding and other taxes payable	7,610,242	3,819,114
	235,507,106	239,027,872

2.5 Short term provisions

	As at	
	31 March 2016	30 June 2015
Provision for employee benefits		
Provision for gratuity (refer note 2.24)	4,229,732	1,521,389
Provision for compensated absences	12,607,319	4,995,377
Income taxes (refer note below)	18,800,370	13,474,819
	35,637,421	19,991,585

Note : Net of advance income tax of ₹ 218,910,049 (pervious year ` 122,579,502)

S.V. GHATALIA & ASSOCIATES LLP * GURGAON *

STATESTREET HCL SERVICES (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended 31 March 2016
(All amounts in ₹ unless stated otherwise)

2.6 Fixed Assets

The changes in the carrying value of fixed assets for the year ended March 31, 2016

Particulars	Gross block				Accumulated depreciation / amortisation				Net block	
	As at 1 July 2015	Additions	Deletions / Adjustments	As at 31 March 2016	As at 1 July 2015	Charge for the year	Deletions / Adjustments	As at 31 March 2016	As at 31 March 2016	As at 30 June 2015
Tangible Assets										
Plant and machinery	40,076,491	64,407,561	-	104,484,052	19,494,690	7,937,176	-	27,431,866	77,052,186	20,581,801
Office Equipment	15,017,802	15,845,902	-	30,863,704	3,741,887	3,878,732	-	7,620,619	23,243,085	11,275,915
Computers	183,994,342	44,724,248	-	228,718,590	86,067,483	25,222,457	-	111,289,940	117,428,650	97,926,859
Furniture and fittings	132,574,595	66,593,022	-	199,167,617	61,197,629	13,876,786	-	75,074,415	124,093,202	71,376,966
Total (A)	371,663,230	191,570,733	-	563,233,963	170,501,689	50,915,151	-	221,416,840	341,817,123	201,161,541
Intangible Assets										
Goodwill on acquisition of business	105,000,000	-	-	105,000,000	-	-	-	-	105,000,000	105,000,000
Software	13,262,169	17,742	-	13,279,911	9,578,617	2,356,120	-	11,934,737	1,345,174	3,683,552
Total (B)	118,262,169	17,742	-	118,279,911	9,578,617	2,356,120	-	11,934,737	106,345,174	108,683,552
Total (A)+(B)	489,925,399	191,588,475	-	681,513,873	180,080,306	53,271,271	-	233,351,576	448,162,297	309,845,093

The changes in the carrying value of fixed assets for the year ended June 30, 2015

Particulars	Gross block				Accumulated depreciation / amortisation				Net block	
	As at 1 July 2014	Additions	Deletions / Adjustments	As at 30 June 2015	As at 1 July 2014	Charge for the year	Deletions / Adjustments	As at 30 June 2015	As at 30 June 2015	As at 30 June 2014
Tangible Assets										
Plant and machinery	35,868,829	4,207,662	-	40,076,491	14,555,407	4,939,283	-	19,494,690	20,581,801	21,313,422
Office Equipment	6,975,927	8,041,875	-	15,017,802	1,494,879	2,247,008	-	3,741,887	11,275,915	5,481,048
Computers	111,443,353	72,550,989	-	183,994,342	66,035,528	20,031,955	-	86,067,483	97,926,859	45,407,825
Furniture and fittings	98,560,266	34,014,329	-	132,574,595	47,956,495	13,241,134	-	61,197,629	71,376,966	50,603,771
Total (A)	252,848,375	118,814,855	-	371,663,230	130,042,309	40,459,380	-	170,501,689	201,161,541	122,806,066
Intangible Assets										
Goodwill on acquisition of business	105,000,000	-	-	105,000,000	-	-	-	-	105,000,000	105,000,000
Software	11,071,915	2,190,254	-	13,262,169	5,372,470	4,206,147	-	9,578,617	3,683,552	5,699,445
Total (B)	116,071,915	2,190,254	-	118,262,169	5,372,470	4,206,147	-	9,578,617	108,683,552	110,699,445
Total (A)+(B)	368,920,290	121,005,109	-	489,925,399	135,414,779	44,665,527	-	180,080,306	309,845,093	233,505,511

S.V. GHAILIA & ASSOCIATES LLP * GURGAON *

STATESTREET HCL SERVICES (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended 31 March 2016
(All amounts in ₹ unless stated otherwise)

2.7 Deferred Tax Assets

	As at	
	31 March 2016	30 June 2015
Accrued employee costs	738,193	700,478
Depreciation and amortization	4,084,862	3,273,814
Others	6,136,609	4,249,415
	10,959,664	8,223,707

2.8 Long term loans and advances

	As at	
	31 March 2016	30 June 2015
Capital advances	93,943	93,943
Security deposits	54,871,136	38,997,380
Prepaid expenses	1,620,203	195,662
MAT credit entitlement	187,866,658	105,110,966
	244,451,940	144,397,951

2.9 Other non- current assets

	As at	
	31 March 2016	30 June 2015
Unsecured , considered good		
Bank deposits more than 12 months (refer note below)	1,250,000	-
	1,250,000	-

Note : Pledged with banks as security for guarantees

2.10 Trade receivables (Unsecured)

	As at	
	31 March 2016	30 June 2015
(a) Considered good unless stated otherwise, outstanding for a period exceeding six months from the date they are due for payment		
Unsecured considered good - related parties (refer note 2.20)	219,085	-
(b) Other receivables		
Unsecured considered good - related parties (refer note 2.20)	391,413,471	235,738,623
	391,632,556	235,738,623

S.V. GHATALIA & ASSOCIATES LLP
GURGAON

STATESTREET HCL SERVICES (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended 31 March 2016
(All amounts in ₹ unless stated otherwise)

2.11 Cash and bank balances

	As at	
	31 March 2016	30 June 2015
(a) Cash and cash equivalents		
Balance with banks		
- in current accounts	14,816,393	40,100,133
	14,816,393	40,100,133
(b) Other bank balances		
Deposits with original maturity of more than 3 months but less than 12 months	399,100,000	288,400,000
	413,916,393	328,500,133

2.12 Short- term loans and advances

	As at	
	31 March 2016	30 June 2015
Unsecured , considered good		
Loans and advances to related parties (refer note 2.20)	1,166,971	391,350
Others		
Advances to suppliers	753,596	519,822
Service tax receivable	52,475,594	38,494,673
Prepaid expenses	20,308,281	2,423,974
Loans and advances to employees	8,643,765	2,061,347
Others	247,425	549,425
Unsecured, considered doubtful		
Loans and advances to employees	2,566,371	4,219,255
Less: Provision for doubtful advances	(2,566,371)	(4,219,255)
	83,595,632	44,440,591

2.13 Other current assets

	As at	
	31 March 2016	30 June 2015
Unbilled revenue-related parties (refer note 2.20)	162,176,308	186,090,949
Deferred cost-related parties (refer note 2.20)	21,990	21,990
Interest receivable	4,002,481	4,779,277
	166,200,779	190,892,216

2.14 Revenue from operations

	Year ended	
	31 Mar 2016 (Nine months)	30 June 2015 (Twelve months)
Sale of services	1,746,616,717	1,437,869,299
	1,746,616,717	1,437,869,299

S.V. GHATALIA & ASSOCIATES LLP * GURGAON *

STATESTREET HCL SERVICES (INDIA) PRIVATE LIMITED
Notes to Financial Statements for the year ended 31 March 2016
(All amounts in ₹ unless stated otherwise)

2.15 Other income

	Year ended	
	31 Mar 2016 (Nine months)	30 June 2015 (Twelve months)
Interest income	20,168,194	23,994,811
- On fixed deposits	4,868	-
- Others	-	7,747,488
Exchange differences, net	1,146,699	279,692
Provisions no longer required, written back	-	127,289
Miscellaneous income	21,319,761	32,149,280

2.16 Employee benefits expenses

	Year ended	
	31 Mar 2016 (Nine months)	30 June 2015 (Twelve months)
Salaries, wages and bonus	768,500,587	570,412,777
Contribution to provident fund and other funds	24,444,562	20,009,159
Staff welfare expenses	18,454,042	10,598,287
	811,399,191	601,020,223

2.17 Finance cost

	Year ended	
	31 Mar 2016 (Nine months)	30 June 2015 (Twelve months)
Bank charges	751,563	588,820
	751,563	588,820

2.18 Other expenses

	Year ended	
	31 Mar 2016 (Nine months)	30 June 2015 (Twelve months)
Rent	68,794,867	59,466,619
Power and fuel	50,738,715	52,163,835
Outsourcing cost	132,691,474	98,216,030
Repairs and maintenance		
- Plant and machinery	12,014,854	14,169,447
- Buildings	4,320,565	10,537,273
- Others	30,528,403	16,088,480
Communication costs	5,305,952	3,564,356
Travel and conveyance	128,900,847	101,595,241
Business promotion	682,173	1,374,984
Legal and professional charges	1,933,726	1,435,049
Printing and stationery	4,484,218	3,708,735
Rates and taxes	3,735,984	3,469,230
Provision for doubtful advances / advances written off	-	3,638,291
Corporate social responsibility (CSR) expense (refer note 2.31)	-	1,200,000
Recruitment, training and development	14,857,415	18,708,625
Exchange differences (net)	1,112,610	-
Miscellaneous expenses	2,590,363	2,548,308
	462,692,166	391,884,503

S.V. GHAMALIA & ASSOCIATES LLP GURGAON

2. Notes to financial statements

2.19 Leases

Operating leases

The Company leases office spaces under operating lease agreements. The lease rental expense recognized in the statement of profit and loss for the period (nine months) is ₹ 68,794,867 (previous year ₹ 59,466,619). The escalation amount for non-cancellable operating lease payable in future years and accounted for by the Company is ₹ 34,753,419 (previous year ₹ 24,048,725). Future minimum lease payments and the payment profile of non-cancellable operating leases are as follows:

	As at	
	March 31, 2016	June 30, 2015
Not later than one year	100,485,216	53,854,178
Later than one year but not later than five years	282,713,721	130,714,653
Later than five years	393,544,677	212,467,035
	776,743,614	397,035,866

2.20 Related party disclosures

a) **Related parties where control exists**

- Ultimate holding company — State Street Corporation
- Intermediate holding company — State Street Bank and Trust Company
- Immediate holding company — State Street HCL Holding (UK) Limited

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

- Intermediate holding company — State Street Bank and Trust Company
- Others (Significant influence) — HCL Technologies Limited
  HCL Comnet Limited

S.V. GHATALIA & ASSOCIATES LLP GURGAON

2.20 **Related party disclosures (continued...)**

c) Transactions with related parties during the year in the ordinary course of business:

	Revenue		Other expenses	
	Year ended March 31, 2016	Year ended June 30, 2015	Year ended March 31, 2016	Year ended June 30, 2015
Intermediate Holding Company				
State Street Bank and Trust Company	1,746,616,717	1,437,869,299	-	-
Others (Significant Influence)				
HCL Technologies Limited	-	-	161,815,184	147,963,443
HCL Services Limited	-	-	-	31,687
Redington India Limited	-	-	-	33,145
HCL Comnet Limited	-	-	-	58,638
Total	1,746,616,717	1,437,869,299	161,815,184	148,086,913

d) Outstanding balances with related parties

	Trade payables		Income received in advance		Deferred Cost	
	As at		As at		As at	
	March 31, 2016	June 30, 2015	March 31, 2016	June 30, 2015	March 31, 2016	June 30, 2015
Intermediate Holding Company						
State Street Bank and Trust Company	-	-	10,129,317	34,173,340	-	-
Others (Significant Influence)						
HCL Technologies Limited	75,278,763	16,546,883	-	-	-	-
HCL Comnet Limited	-	3,763,835	-	-	21,990	21,990
Total	75,278,763	20,310,718	10,129,317	34,173,340	21,990	21,990

S.V. GHATALIA & ASSOCIATES LLP GURGAON

d) Outstanding balances with related parties (continued)

	Trade recievables		Unbilled recievables		Short-term loans and advances		Liabilities for expenses	
	As at		As at		As at		As at	
	March 31, 2016	June 30, 2015	March 31, 2016	June 30, 2015	March 31, 2016	June 30, 2015	March 31, 2016	June 30, 2015
Intermediate Holding Company State Street Bank and Trust Company	391,632,556	235,738,623	162,176,308	186,090,949	-	-	-	-
Fellow Subsidiary Statestreet HCL Services (Phillipines) Inc.	-	-	-	-	1,166,971	-	-	-
Others (Significant Influence) HCL Technologies Limited	-	-	-	-	-	391,350	22,432,074	25,055,062
Total	391,632,556	235,738,623	163,343,279	186,482,299	1,166,971	391,350	22,432,074	25,055,062

S.V. GHATALIA & ASSOCIATES LLP * GURGAON *

2.21 Commitments and Contingent liabilities

a)

	As at	
	March 31, 2016	June 30, 2015
Capital Commitments		
Estimated amount of unexecuted capital contracts (net of advance)	85,018,449	39,996,932
	85,018,449	39,996,932

b) The Company has a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company appoints independent consultants for conducting a Transfer Pricing Study to determine whether the transactions with associated enterprises are undertaken, during the financial year, on an "arms length basis". Adjustments, if any, arising from the transfer pricing study in the respective jurisdictions are accounted for as and when the study is completed for the current financial year. However the management is of the opinion that its international transactions are at arms' length so that the aforesaid legislation will not have any impact on the financial statements.

2.22 Segment reporting

In the opinion of management company has only one business segment and the company operates majorly in a single geographical segment and hence there are no reportable segments as envisaged in Accounting Standard (AS)-17 'Segment Reporting' notified under section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules 2014. Accordingly, no disclosures for segment reporting have been included in the financial statements.

2.23 Micro, Small and Medium Enterprises:

As per information available with the management, the dues payable as at any time during the year ended June 30, 2015 to enterprises covered under "The Micro, Small and Medium Enterprises Development Act, 2006" is ₹ Nil (previous year nil).

This has been determined on the basis of responses received from vendors on specific confirmation sought by the Company in this regard.

2.24 Employee Benefit Plans:

The Company has calculated the various benefits provided to employees as under

A. Defined Contribution Plans and State Plans

Employer's contribution to Employees State Insurance
Employer's contribution to Employee's Provident fund
Employer's contribution to Employee's Pension Scheme

S.V. GHATALIA & ASSOCIATES LLP * GURGAON *

During the year the Company has recognized the following amounts in the statement of profit and loss:-

	Year ended (Nine months) March 31, 2016	Year ended (Twelve months) June 30, 2015
Employer's contribution to Employee's state insurance	5,303,640	4,567,358
Employer's contribution to Employee's provident fund	7,812,764	6,670,690
Employer's contribution to Employee's pension scheme	11,265,606	8,733,360
	24,382,010	**19,971,408**

B. Defined Benefit Plans

Gratuity

The Company has an unfunded defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure of 15 days base salary (last drawn salary) for each completed year of service subject to maximum of ` 10 Lacs per employee.

The following table set out the status of the gratuity plan as required under Accounting Standard 15 (Revised):

Statement of profit and loss

Net employee benefit expense (recognized in Employee Cost)

	Year ended (Nine months) March 31, 2016	Year ended (Twelve months) June 30, 2015
Current service cost	1,280,627	1,304,996
Interest cost on benefit obligation	396,215	501,904
Net acturial (gain)/loss recognized in the year	4,797,542	(46,168)
Net benefit expense	**6,474,384**	**1,760,732**

Balance Sheet

Details of Provision for Gratuity

	Year ended March 31, 2016	Year ended June 30, 2015
Defined benefit obligations	12,160,750	5,943,372
Plan (asset) / liability	**12,160,750**	**5,943,372**

S.V. GHAZALIA & ASSOCIATES LLP GURGAON

Changes in present value of the defined benefit obligation are as follows:

	Year ended March 31, 2016	Year ended June 30, 2015
Opening defined benefit obligation	5,943,372	5,790,757
Current service cost	1,280,627	1,304,996
Interest cost	396,215	501,904
Acturial (gain)/loss on obligation	4,797,542	(46,168)
Benefits paid	(257,006)	(1,608,117)
Closing defined benefit obligation	**12,160,750**	**5,943,372**

The principal assumptions used in determining gratuity for the Company's plans are shown below:

	Year ended March 31, 2016	Year ended June 30, 2015
Discount rate	7.35%	7.70%
Estimated rate of salary increases	7%	7%
Employee turnover	19%	53%
Expected rate of return on assets	NA	NA

The estimates of future salary increases, considered in the actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The following table set out the experience adjustment to plan liabilities as required under AS-15 (Revised):

	Year ended March 31, 2016	Year ended June 30, 2015
Defined benefit obligations	12,160,750	5,943,372
Experience adjustment on plan liabilities	2,388,147	(185,422)

2.25 **Auditor's remuneration*:**

	Year ended March 31, 2016	Year ended June 30, 2015
As auditor's		
Statutory audit	220,000	110,000
Tax audit	110,000	55,000
	330,000	165,000

*excluding service tax

S.V. GHATALIA & ASSOCIATES LLP GURGAON

2.26 Expenditure in foreign currency (on accrual basis)

	Year ended (Nine months) March 31, 2016	Year ended (Twelve months) June 30, 2015
Outsourcing Cost	4,168,718	725,898
Recruitment Training and Development	242,078	292,086
Repair and Maintenance	-	554,421
Travel	16,249,258	20,665,220
Bank Charges	455,518	309,135
	21,115,572	**22,546,760**

2.27 Earning in foreign currency (on accrual basis)

	Year ended (Nine months) March 31, 2016	Year ended (Twelve months) June 30, 2015
Income from services	1,746,616,717	1,437,869,299
	1,746,616,717	**1,437,869,299**

2.28 CIF value of imports

	Year ended (Nine months) March 31, 2016	Year ended (Twelve months) June 30, 2015
Capital goods	100,385,207	77,653,270
	77,653,270	**77,653,270**

2.29 Unhedged foreign currency exposure

As of balance sheet date the company's net foreign currency exposure that is not hedged is ₹ 543,829,973 (previous year ₹ 384,814,627).

2.30 Corporate social responsibility

As required by the Companies Act, 2013, the gross amount required to be spent by the Company on CSR activities is ` 4,464,686 (previous year ` 1,236,768) and the amount spent is Nil (previous year ` 1,200,000).

S.V. GHATALIA & ASSOCIATES GURGAON

2.31 Previous year comparatives

The current financial year of the Company is for a nine months period from 1st July 2015 to 31st March 2016. The figures for the current financial year are therefore not comparable with those of the previous year. Previous year figures have been rearranged to conform to the current year's classification.

As per our report of even date

For S. V. Ghatalia & Associates LLP
ICAI Firm Registration Number:103162 W/E300006
Chartered Accountants

Per Vishal Arora
Partner
Membership Number: 095788

Gurgaon, India
Date: July 25, 2016

For and on behalf of the Board of Directors
of Statestreet HCL Services (India) private Limited

Prahlad Rai Bansal
Director

James C. Caccivio
Director

Shamsher Singh
Company Secretary

Noida (UP), India
Date: July 25, 2016