

4
17

HCL Technologies Lithuania UAB
STANDALONE FINANCIAL STATEMENT
For the year ended 31st March 2018 and period ended 31st March 2017

HCL Technologies Lithuania UAB

Balance Sheet as at 31 March 2018

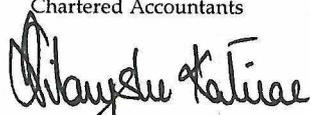
(All amounts in thousands except share data and as stated otherwise)

	Note No.	As at 31 March 2018 (EUR)	As at 31 March 2017 Refer note 1(a) (EUR)	As at 31 March 2018 Refer note 1(a) (€)
I. ASSETS				
(1) Non-current assets				
(a) Deferred tax assets (net)	2.1	7	-	538
(2) Current assets				
(a) Financial Assets				
(i) Trade receivables	2.2	511	920	41,295
(ii) Cash and cash equivalents	2.3	645	1,029	52,141
(b) Other current assets	2.4	93	-	7,452
TOTAL ASSETS		1,256	1,949	101,426
II. EQUITY				
(a) Equity Share Capital	2.5	360	90	29,091
(b) Other Equity		222	55	17,928
III. LIABILITIES				
(1) Non-current liabilities				
(a) Provisions	2.6	45	-	3,648
(1) Current liabilities				
(a) Financial Liabilities				
(i) Trade payables	2.7	160	1,322	12,918
(ii) Others	2.8	388	313	31,328
(b) Other current liabilities	2.9	53	159	4,283
(c) Current Tax Liabilities (Net)		28	10	2,230
TOTAL EQUITY AND LIABILITIES		1,256	1,949	101,426
Summary of significant accounting policies	1			

The accompanying notes are an integral part of the financial statements

As per our report of even date

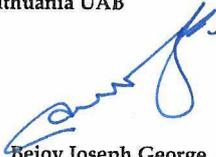
FOR S. R. BATLIBOI & CO. LLP
ICAI Firm Registration Number : 301003E/E300005
Chartered Accountants


per Nizangshu Katriar
Partner
Membership Number: 58814

Gurugram, India
Date: July 18, 2018

For and on behalf of the Board of Directors
HCL Technologies Lithuania UAB


Shiv Walia
CEO


Bejoy Joseph George
Board Member

Date: July 18, 2018

HCL Technologies Lithuania UAB
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)	Period ended 31 March 2017 Refer note 1(a) (EUR)	Year ended 31 March 2018 Refer note 1(a) (€)
I Revenue				
Revenue from operations	2.10	3,465	1,700	280,038
Total Income		<u>3,465</u>	<u>1,700</u>	<u>280,038</u>
II Expenses				
Employee benefits expense	2.11	1,118	-	90,326
Finance costs	2.12	1	0	61
Outsourcing cost		2,085	1,632	168,506
Other expenses	2.13	65	3	5,285
Total expenses		<u>3,269</u>	<u>1,635</u>	<u>264,178</u>
III Profit before tax		196	65	15,860
IV Tax expense	2.14			
Current tax		36	10	2,914
Deferred tax charge (credit)		(7)	-	(537)
Total tax expense		<u>29</u>	<u>10</u>	<u>2,377</u>
V Profit for the year/period		<u>167</u>	<u>55</u>	<u>13,483</u>
VI Other comprehensive income				
Items that will not be reclassified to profit/(loss)		-	-	-
Items that will be reclassified subsequently to profit/(loss)		-	-	-
		-	-	-
VII Total comprehensive income for the year/period		<u>167</u>	<u>55</u>	<u>13,483</u>

Earnings per equity share of Eur 1 each

Basic and Diluted	2.16	0.62	2.18	50
-------------------	------	------	------	----

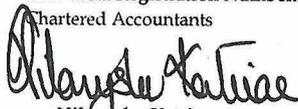
Summary of significant accounting policies

1

The accompanying notes are an integral part of the financial statements

As per our report of even date

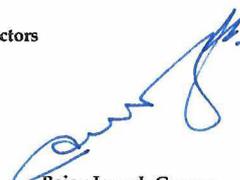
FOR S. R. BATLIBOI & CO. LLP
ICAI Firm Registration Number: 301003E/E300005
Chartered Accountants


per Nilangshu Katriar
Partner
Membership Number: 58814

Gurugram, India
Date: July 18, 2018

For and on behalf of the Board of Directors
HCL Technologies Lithuania UAB


Shiv Walia
CEO


Bejoy Joseph George
Board Member

Date: July 18, 2018



HCL Technologies Lithuania UAB
Statement of Changes in Equity for the year ended 31 March 2018
(All amounts in thousands except share data and as stated otherwise)

(Amount in EUR)

	Equity share capital		Other Equity
	Shares	Share capital	Reserves and Surplus
Balance as at 26 August, 2016	-	-	-
Profit for the period	-	-	55
Other comprehensive income/(loss)	-	-	-
Total comprehensive income for the period	-	-	55
Issue of equity shares	90,000	90	-
Balance as at March 31, 2017	90,000	90	55
Balance as at April 1, 2017	90,000	90	55
Profit for the year	-	-	167
Other comprehensive income/(loss)	-	-	-
Total comprehensive income for the year	-	-	167
Issue of equity shares	270,000	270	-
Balance as at March 31, 2018	360,000	360	222

(Amount in ₹)

	Equity share capital		Other Equity
	Shares	Share capital	Reserves and Surplus
Balance as at April 1, 2017	90,000	7,273	4,444
Profit for the year	-	-	13,484
Other comprehensive income/(loss)	-	-	-
Total comprehensive income for the year	-	-	13,484
Issue of equity shares	270,000	21,818	-
Balance as at March 31, 2018	360,000	29,091	17,928

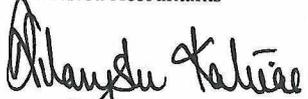
Summary of significant accounting policies

1

The accompanying notes are an integral part of the financial statements

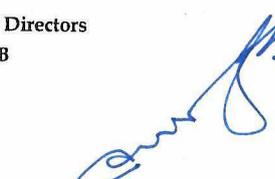
As per our report of even date

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


per Nilangshu Katriar
Partner
Membership Number: 58814

For and on behalf of the Board of Directors
HCL Technologies Lithuania UAB


Shiv Walia
CEO


Bejoy Joseph George
Board Member

Gurugram, India

Date: July 18, 2018

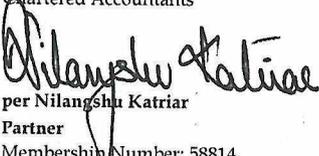
Date: July 18, 2018



HCL Technologies Lithuania UAB
Statement of Cash flows for the year ended 31 March 2018
(All amounts in thousands except share data and as stated otherwise)

	Year ended 31 March 2018 (EUR)	Period ended 31 March 2017 Refer note 1(a) (EUR)	Year ended 31 March 2018 Refer note 1(a) (₹)
A. Cash flows from operating activities			
Profit before tax	196	65	15,860
Non cash adjustment :	-	-	-
Operating profit before working capital changes	196	65	15,860
Movement in Working Capital			
(Increase)/ decrease in trade receivables	409	(920)	33,070
(Increase)/ decrease in other financial assets and other assets	(93)	313	(7,533)
Increase/(decrease) in trade payables	(1,162)	1,322	(93,878)
Increase/(decrease) in provisions, other financial liabilities and other liabilities	14	159	1,124
Cash generated from/ (used in) operations	(636)	939	(51,357)
Direct taxes paid (net of refunds)	18	-	1,472
Net cash flow used in operating activities (A)	(654)	939	(52,829)
B. Cash flows from financing activities			
Proceeds from issue of share capital	270	90	21,818
Net cash flow from financing activities (B)	270	90	21,818
Net increase / (decrease) in cash and cash equivalents (A+B)	(384)	1,029	(31,011)
Cash and cash equivalents at the beginning of the year	1,029	-	83,152
Cash and cash equivalents at the end of the year as per note 2.3	645	1,029	52,141
Summary of significant accounting policies (Note 1)			

As per our report of even date.

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

per Nilangshu Katriar
Partner
Membership Number: 58814

Gurugram, India
Date: July 18, 2018

For and on behalf of the Board of Directors
HCL Technologies Lithuania UAB


Shiv Walia
CEO


Bejoy Joseph George
Board Member

Date: July 18, 2018

HCL Technologies Lithuania UAB

Significant accounting policies and notes to financial statements for the period ended 31 March 2018

Company Overview

HCL Technologies Lithuania UAB (hereinafter referred to as '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 26 August 2016 in Lithuania.

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

1. Significant Accounting Policies

a) Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended.

These financial statements have been prepared under the historical cost convention on an accrual and going concern basis except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

As the company is not domiciled in India and hence not registered under Companies Act 2013, these financial statements have not been prepared to fully comply with the Companies Act 2013, and so they do not reflect all the disclosures requirements of the Act.

The functional currency of the Company is EUR. 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.

The company was incorporated on 26 August 2016 hence the financial statement of period ending March 2017 was prepared from 26 August 2016 to 31 March 2017.

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 on 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, income taxes and future obligations under employee benefit plans.

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) 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 fixed price contracts.

Fixed Price contracts

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

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

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

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

Revenue is recognized nets of sales tax and applicable discounts and allowances and includes reimbursement of out-of-pocket expenses, with the corresponding out-of-pocket expenses included in cost of revenue.

d) Foreign currency transactions

Transactions in foreign currencies are initially recorded by the company at its 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. Revenue, expenses and cash-flow items denominated in foreign

HCL Technologies Lithuania UAB

Significant accounting policies and notes to financial statements for the period ended 31 March 2018

currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

e) 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.

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.

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.

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 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.

f) Financial Instruments

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

i) Financial assets

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

Cash and cash equivalent

Cash in the balance sheet comprise cash in bank which is subject to an insignificant risk of changes in Value.

Financial instruments at amortized cost

A financial instrument is measured at the amortized cost if both the following conditions are met:

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

HCL Technologies Lithuania UAB

Significant accounting policies and notes to financial statements for the period ended 31 March 2018

- (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in other income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss. This category includes cash and bank balances, loans, unbilled revenue trade and other receivables.

Derecognition of financial assets

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset.

Impairment of financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit and loss. Lifetime ECL allowance is recognized for trade receivables with no significant financing component. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case they are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognized in statement of profit and loss.

ii) Financial liabilities

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade payables, borrowings including bank overdrafts and other payables.

After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in the statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process.

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

Derecognition

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

Offsetting of financial instruments

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

g) Retirement and other employee benefits

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 based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at balance sheet date. The employees can carry forward

HCL Technologies Lithuania UAB

Significant accounting policies and notes to financial statements for the period ended 31 March 2018

up to the specified portion of the unutilized accumulated compensated absences and utilize it in future periods or receive cash at retirement or termination of employment. The expense on non-accumulating compensated absences is recognized in the statement of profit and loss in the year in which the absences occur.

h) Earning per share

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

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.

i) 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 Lithuania UAB
Notes to financial statements for the year ended 31 March 2018
(All amounts in thousands except share data and as stated otherwise)

2.1 Deferred tax assets

	As at		
	31 March 2018	31 March 2017	31 March 2018
	(EUR)	(EUR)	(₹)
Deferred tax assets	7	-	538
	7	-	538

2.2 Trade Receivable

	As at		
	31 March 2018	31 March 2017	31 March 2018
	(EUR)	(EUR)	(₹)
Unsecured considered good	511	920	41,295
	511	920	41,295

Note:-

1. Includes receivables from related parties amounting to EUR 191 (31 March 2017 EUR Nil) (Refer Note 2.18(d))

2.3 Cash and cash equivalent

	As at		
	31 March 2018	31 March 2017	31 March 2018
	(EUR)	(EUR)	(₹)
Balance with banks - in current accounts	645	1,029	52,141
	645	1,029	52,141

2.4 Other current assets

	As at		
	31 March 2018	31 March 2017	31 March 2018
	(EUR)	(EUR)	(₹)
Unsecured, considered good			
Advances other than capital advances			
Advances to suppliers	85	-	6,837
Others			
Prepaid expenses	8	-	615
	93	-	7,452

2.5 Share Capital

	As at		
	31 March 2018	31 March 2017	31 March 2018
	(EUR)	(EUR)	(€)
Authorized			
360,000 (31 March 2017: 90,000) equity shares of EUR 1 each	360	90	29,091
Issued, subscribed and fully paid up			
360,000 (31 March 2017: 90,000) equity shares of EUR 1 each	360	90	29,091

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 share holders will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity shares held by the shareholders.

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

	As at			
	31 March 2018		31 March 2017	
	No. of shares	Amount (EUR)	No. of shares	Amount (EUR)
Number of shares at the beginning	90,000	90	-	-
Add: Shares issued during the year	270,000	270	90,000	90
Number of shares at the end	360,000	360	90,000	90

Shares held by holding company:-

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

	As at			
	31 March 2018		31 March 2017	
	No. of shares	Amount (EUR)	No. of shares	Amount (EUR)
Equity shares of EUR 1 each				
HCL Tehnologies UK limited and its nominee shareholders	360,000	360	90,000	90

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	% holding	No. of shares	% holding
Equity shares of EUR 1 each fully paid				
HCL Tehnologies UK limited, the holding company	360,000	100.00%	90,000	100.00%

As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, 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.

HCL Technologies Lithuania UAB

Notes to financial statements for the year ended 31 March 2018

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

2.6 Provisions

	As at		
	31 March 2018	31 March 2017	31 March 2018
	(EUR)	(EUR)	(₹)
Non-current			
Provision for employee benefits			
Provision for leave benefits	45	-	3,648
	45	-	3,648

2.7 Trade payables

	As at		
	31 March 2018	31 March 2017	31 March 2018
	(EUR)	(EUR)	(₹)
Trade payables	97	-	7,835
Trade payables-related parties (Refer Note 2.18(d))	63	1,322	5,083
	160	1,322	12,918

2.8 Other financial liabilities

	As at		
	31 March 2018	31 March 2017	31 March 2018
	(EUR)	(EUR)	(₹)
Current			
Accrued salaries and benefits			
Salary Payable	25	-	2,014
Other benefits payable	0	-	23
Others			
Liabilities for expenses	191	1	15,409.26
Liabilities for expenses-related parties (Refer Note 2.18(d))	172	312	13,882
	388	313	31,328

2.9 Other current liabilities

	As at		
	31 March 2018	31 March 2017	31 March 2018
	(EUR)	(EUR)	(₹)
Other taxes payable	53	159	4,282.83
	53	159	4,283

HCL Technologies Lithuania UAB

Notes to financial statements for the year ended 31 March 2018

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

2.10 Revenue from operations

	Year ended	Period ended	Year ended
	31 March 2018	31 March 2017	31 March 2018
	(EUR)	(EUR)	(€)
Sale of services	3,465	1,700	280,038
	3,465	1,700	280,038

Note:-

1. Includes revenue from related parties amounting to Eur 190 (31 March 2017 Eur Nil) (Refer Note 2.18(c))

2.11 Employee benefits expense

	Year ended	Period ended	Year ended
	31 March 2018	31 March 2017	31 March 2018
	(EUR)	(EUR)	(€)
Salaries, wages and bonus	726	-	58,692
Contribution to employee benefits funds	240	-	19,424
Leave encashment	82	-	6,589
Medical insurance	67	-	5,398
Other welfare expenses	3	-	223
	1,118	-	90,326

2.12 Finance cost

	Year ended	Period ended	Year ended
	31 March 2018	31 March 2017	31 March 2018
	(EUR)	(EUR)	(€)
Bank charges	1	0	61
	1	0	61

2.13 Other expenses

	Year ended	Period ended	Year ended
	31 March 2018	31 March 2017	31 March 2018
	(EUR)	(EUR)	(€)
Communication costs	1	-	95
Travel and conveyance	19	-	1,559
Legal and professional charges	7	1	585
Exchange differences (net)	35	1	2,827
Miscellaneous expenses	3	1	219
	65	3	5,285

HCL Technologies Lithuania UAB
Notes to financial statements for the year ended 31 March 2018
(All amounts in thousands except share data and as stated otherwise)

2.14 Income taxes

	Year ended	Period ended	Year ended
	31 March 2018	31 March 2017	31 March 2018
	(EUR)	(EUR)	(€)
Income tax charged to statement of profit and loss			
Current income tax charge	36	10	2,914
Deferred tax charge (credit)	(7)	-	(537)
	29	10	2,377

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

	Year ended	Period ended	Year ended
	31 March 2018	31 March 2017	31 March 2018
	(EUR)	(EUR)	(€)
Profit before income tax	196	65	15,860
Statutory tax rate	15%	15%	15%
Expected tax expense	29	10	2,384
Total taxes	29	10	2,384
Effective income tax rate	15%	15%	15%

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
Deferred tax assets				
Provision for employee receivable	-	0	-	0
Accrued employee costs	-	6	-	6
Others	-	1	-	1
Net deferred tax assets	-	7	-	7

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
Deferred tax assets				
Provision for employee receivable	-	8	-	8
Accrued employee costs	-	444	-	444
Others	-	102	-	102
Net deferred tax assets	-	554	-	554

HCL Technologies Lithuania UAB

Notes to financial statements for the year ended 31 March 2018

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

2.15 Segment Reporting

In the opinion of the management there is only one business segment of the company and the company operates a single geographical segment, hence there is no separable segment as envisaged in the Ind AS-108 "Segment Reporting" notified by Companies (Accounting Standards) Rules, 2006, (as amended). Accordingly no disclosure for segment reporting have been included in these financial statements.

2.16 Earnings per equity share (EPS)

The computation of earnings per share is as follows:

Particulars	As at		
	31 March 2018	31 March 2017	31 March 2018
	(EUR)	(EUR)	(₹)
Net Profit as per statement of profit and loss for computation of EPS	167	55	13,483
Weighted average number of equity shares outstanding in calculating Basic and diluted EPS	268	25	268
Nominal value of equity shares	1	1	81
Earning per equity share			
Basic & Diluted	0.62	2.18	50

2.17 Financial Instruments

(a) Financial Assets and Liabilities

The carrying value of Financial instruments by categories as at 31 March 2018 is as follows:

	Amortised Cost	Total carrying value	Amortised Cost	Total carrying value
	(EUR)	(EUR)	(₹)	(₹)
Financial Assets				
Trade receivables	511	511	41,295	41,295
Cash and Cash equivalent	645	645	52,141	52,141
Total	1,156	1,156	93,436	93,436
Financial Liabilities				
Trade payable	160	160	12,918	12,918
Others (Refer note 2.8)	388	388	31,328	31,328
Total	548	548	44,246	44,246

The carrying value of Financial instruments by categories as follows:

	As at 31 March 2017	
	Amortised Cost	Total carrying value
	(EUR)	(EUR)
Financial Assets		
Trade receivables	920	920
Cash and Cash equivalent	1,029	1,029
Total	1,949	1,949
Financial Liabilities		
Trade payable	1,322	1,322
Others (Refer note 2.8)	313	313
Total	1,635	1,635

HCL Technologies Lithuania UAB

Notes to financial statements for the year ended 31 March 2018

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

2.17 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'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. A significant portion of the company's revenue and cost 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 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 and 31 March 2017 in major currencies is as below:

	Net financial assets		Net financial liabilities	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	(EUR)	(EUR)	(EUR)	(EUR)
USD/EUR	-	-	1	1
PLN/EUR	1	-	0	247
GBP/EUR	-	-	50	870

(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 nonperformance by counterparties. The Company periodically assessed the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivables.

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.

HCL Technologies Lithuania UAB
Notes to financial statements for the year ended 31 March 2018
(All amounts in thousands except share data and as stated otherwise)

2.18 Related party transaction

a) Related parties where control exists

Ultimate holding company

HCL Technologies limited

Holding company

HCL Technologies UK Limited

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

Ultimate holding company

HCL Technologies limited

Holding company

HCL Technologies UK Limited

Fellow Subsidiary

HCL Great Britain Ltd.

HCL Poland Sp.Z O.O.

HCL AMERICA INC.

c) Transactions with related party during the ordinary course of business

Particulars	Revenue			Outsourcing cost		
	Year ended			Year ended		
	31 March 2018	31 March 2017	31 March 2018	31 March 2018	31 March 2017	31 March 2018
	(EUR)	(EUR)	(₹)	(EUR)	(EUR)	(₹)
Ultimate Holding Company						
HCL Technologies Limited	-	-	-	174	-	14,086
Total(A)	-	-	-	174	-	14,086
Holding Company						
HCL Technologies UK Limited	115	-	9,287	803	1,339	64,924
Total(B)	115	-	9,287	803	1,339	64,924
Fellow Subsidiaries						
HCL AMERICA INC.	75	-	6,061	-	-	-
HCL GREAT BRITAIN Ltd.	-	-	-	81	50	6,525
HCL POLAND SP.Z O.O.	-	-	-	415	244	33,507
Total(C)	75	-	6,061	496	294	40,032
Grand Total(A+B+C)	190	-	15,348	1,473	1,633	119,042

HCL Technologies Lithuania UAB
Notes to financial statements for the year ended 31 March 2018
(All amounts in thousands except share data and as stated otherwise)

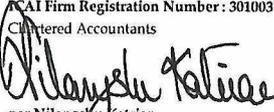
d) Outstanding balance of related parties as on 31 March 2018

Particulars	Receivables			Account Payables			Liability for Expense		
	As at			As at			As at		
	31 March 2018 (EUR)	31 March 2017 (EUR)	31 March 2018 (€)	31 March 2018 (EUR)	31 March 2017 (EUR)	31 March 2018 (€)	31 March 2018 (EUR)	31 March 2017 (EUR)	31 March 2018 (€)
Ultimate Holding company									
HCL Technologies Limited	-	-	-	3	-	204	172	-	13,882
Total(A)	-	-	-	3	-	204	172	-	13,882
Holding Companies									
HCL Technologies UK Limited	115	-	9,287	-	1,150	-	-	187	-
Total(B)	115	-	9,287	-	1,150	-	-	187	-
Fellow Subsidiaries									
HCL Great Britain Ltd.	-	-	-	60	36	4,873	-	13	-
HCL Poland Sp.Z O.O.	1	-	110	0	135	7	-	112	-
HCL AMERICA INC.	75	-	6,061	-	-	-	-	-	-
Total(C)	76	-	6,171	60	171	4,880	-	125	-
Grand Total(A+B+C)	191	-	15,458	63	1,321	5,084	172	312	13,882

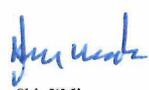
Note 3:- Previous year comparatives

The previous financial year of the company was for a seven months period from 26 August 2016 to 31 March 2017. The figures for the current financial year are therefore not comparable with those of the previous year. Previous year figures have been regrouped/ reclassified to the current year's classification wherever necessary.

As per our report of even date

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

per Nilangshu Katriar
Partner
Membership Number: 58814
Gurugram, India
Date: July 18, 2018

For and on behalf of the Board of Directors
HCL Technologies Lithuania UAB


Shiv Walia
CEO


Bejoy Joseph George
Board Member

Date: July 18, 2018 

INDEPENDENT AUDITOR'S REPORT

To the Members of HCL Technologies Lithuania UAB

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of HCL Technologies Lithuania UAB ("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 Ind AS Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal financial controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

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: Gurugram

Date: July 18, 2018