Report and Financial Statements

HCL EAS Limited

For the year ended 31 March 2018

Registered number: 06695589

Company Information

Directors	Manish Anand Shiv Kumar Walia Rahul Singh Ajit Kumar Subramanian Gopalakrishnan
Registered number	06695589
Registered office	Axon Centre Church Road Egham Surrey TW20 9QB United Kingdom
Independent auditor	Ernst & Young LLP 1 More London Place London SE1 2AF
Banker	Deutsche Bank London Branch 6 Bishopsgate London EC2N 4DA

Contents

Strategic report

For the year ended 31 March 2018

The directors present their Strategic Report for the year ended 31 March 2018.

Introduction

The Company's principal activity is to act as a holding company for the investment in the shares of companies providing services associated with software consultancy services, business process outsourcing and infrastructure management services.

The Company also provides a software license to a fellow group subsidiary.

Review of Business

The results of the Company and its key performance indicators ("KPI") are as follows:

Key Performance Indicators

	31 March 2018 $	31 March 2017 $
Turnover	**4,351,020**	4,186,899
Gross profit	**1,836,825**	1,490,444
Operating profit	**4,491,708**	117,344
Carrying value of investments	**696,857,205**	696,857,205

Turnover represents revenue from software license provided to a fellow subsidiary resulting in license fees. Revenue has increased resulting into increase in gross profit as well. Operating profit has increased mainly due to foreign exchange gain this year of $2,665,114 (2017 - loss of $1,353,953). The Company has also received dividend income of $ 25,624,248 (2017- Nil).

Principal risks and uncertainties

Aside from investments, the Company principally engages in short term financial instruments and mitigates exposure to the associated risks of these instruments in connection with support from the enlarged group that it is a member of. The Company also closely monitors the results of its investments to determine whether the carrying values are appropriate. Additional economic uncertainty has arisen as a result of the June 2016 referendum and subsequent triggering of Article 50 of the Lisbon treaty earlier this year, which will result in the UK exiting the EU by March 2019. This did not have adverse impact on the company's business so far and management will further follow up if any measures are necessary to reduce the business risk.

Financial instruments

The Company's operations expose it to a variety of financial instrument related risks such as foreign exchange risk and liquidity risk, which are explained in further detail below. The Company has adequate controls in place that seek to minimise the adverse effects of these financial risks on the Company's financial performance.

Strategic report (continued)

For the year ended 31 March 2018

1. Foreign exchange rate risk

Foreign exchange rate risk arises from future commercial transactions and recognised assets, investments and liabilities that are denominated in a currency which is not the Company's functional currency. The ultimate holding Company takes hedges to minimise the risk at the overall group level.

2. Credit risk

The Company has no significant concentrations of credit risk and the Company has a large number of customers based in the UK. It has policies in place to ensure that the provisions of consulting services are made to renowned customers or those with an appropriate credit history. The Company also has policies and procedures in place for the control and monitoring of its exposure to credit risk. The Company has a dedicated team for the close follow up for realisation from the customers and adequate provision for doubtful debts is created wherever required as per group policy. During the year there was no significant doubtful amount identified for which the Company was required to create a provision

3. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and short term bank deposits. The directors do not see any significant liquidity risk involved. The Company's liquidity risk is further mitigated through the availability of financing from its ultimate parent undertaking and a fellow subsidiary Company namely, HCL Technologies Austria GmbH, which is provided on an on-going basis, as required. The Company also has an overdraft facility from its banker which can be used as and when required.

Cash flow performance is monitored on an ongoing basis by the Board. Debt facilities have been established at a group level to fund future cash flow requirements.

4. Investment impairment risk

The most significant financial instrument held by the company is its investments in subsidiaries. The directors understanding of the risks associated with the investments held by the entity relate to the potential impairment of those investments. To identify any risk of impairment in a timely manner, the company reviews the financial performance of its investments on a regular basis. To date, all investments have had a strong year and are not exhibiting indicators of impairment. This is expected to continue for the foreseeable future

This report was approved by the board of directors on **19 June 2018** and signed on its behalf.

Mr. Shiv Kumar Walia
Director

Directors' report

For the year ended 31 March 2018

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

Results and dividends

The profit for the year, after taxation, amounted to $ 29,519,213 (2017: loss $313,811).

The directors do not recommend the payment of a dividend.

Directors

The directors who served during the year and to the date of approving the financial statements were

Manish Anand
Shiv Kumar Walia
Rahul Singh
Ajit Kumar
Subramanian Gopalakrishnan

Going Concern

The Company has net assets and has considerable financial resources in the form of investment in shares of various group companies providing services associated with software consultancy services, business process outsourcing and infrastructure management services. As a consequence, the Directors believe that the Company is well placed to manage its financial risk successfully.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the reports and financial statements.

Financial instruments

Details of financial instruments are provided in the strategic report.

Disclosure of information to auditor

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

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

Reappointment of auditor

The auditor, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board of directors on **19 June 2018** and signed on its behalf.

Mr. Shiv Kumar Walia
Director

Directors' responsibilities statement

For the year ended 31 March 2018

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report to the Members of HCL EAS Limited

Opinion

We have audited the financial statements of HCL EAS Limited for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and the related notes 1 to 18, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

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

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

Other information

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

Independent Auditor's Report to the Members of HCL EAS Limited(continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

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

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

Independent Auditor's Report to the Members of HCL EAS Limited(continued)

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Ernst & Young LLP

Zishan Nurmohamed (Senior statutory auditor)
for and on behalf of
Ernst & Young LLP, Statutory Auditor
London
12/07/2018

Statement of comprehensive income

For the year ended 31 March 2018

	Note	Year ended 31 March 2018 $	Year ended 31 March 2017 $
Turnover	4	**4,351,020**	4,186,899
Cost of sales		**(2,514,195)**	(2,696,455)
Gross profit		**1,836,825**	1,490,444
Administrative expenses		**(10,231)**	(19,146)
Other operating income/(loss)		**2,665,114**	(1,353,953)
Operating profit	5	**4,491,708**	117,345
Income from shares in group companies		**25,624,248**	-
Interest receivable and similar income	7	**1,283,190**	1,377,388
Interest payable and similar charges	8	**(1,326,327)**	(874,246)
Profit before tax		**30,072,819**	620,486
Tax on profit	9	**(553,606)**	(934,297)
Profit/(loss) for the year		**29,519,213**	(313,811)
Other comprehensive income		**-**	-
Total comprehensive income/(loss)for the year		**29,519,213**	(313,811)

The notes on pages 11 to 20 form part of these financial statements.

All amounts relate to continuing operations

Statement of financial position

As at 31 March 2018

	Note		31 March 2018 $		31 March 2017 $
Fixed assets					
Investments	10		696,857,205		696,857,205
Current assets					
Debtors: amounts falling due after more than one year	11	262,470		-	
Debtors: amounts falling due within one year	11	67,314,420		41,009,908	
Cash at bank	12	11,489,433		39	
		79,066,323		41,009,947	
Creditors: amounts falling due within one year	13	(47,756,628)		(39,219,465)	
Net current assets			31,309,695		1,790,482
Total assets less current liabilities			728,166,900		698,647,687
Creditors: amounts falling due after more than one year	15		(573,698,700)		(573,698,700)
Net assets			154,468,200		124,948,987
Capital and reserves					
Called up share capital	16		157,560,604		157,560,604
Retained earnings			(3,092,404)		(32,611,617)
Shareholder's funds			154,468,200		124,948,987

The financial statements were approved and authorised for issue by the board of directors and were signed on its behalf on **19 June 2018**

Mr. Shiv Kumar Walia
Director

The notes on pages 11 to 20 form part of these financial statements.

Statement of changes in equity

For the year ended 31 March 2018

	Share capital $	Retained earnings $	Total equity $
At 1 April 2016	157,560,604	(32,297,806)	125,262,798
Comprehensive loss for the year			
Loss for the year	-	(313,811)	(313,811)
Total comprehensive loss for the year	-	(313,811)	(313,811)
At 31 March 2017	157,560,604	(32,611,617)	124,948,987
At 1 April 2017	157,560,604	(32,611,617)	124,948,987
Comprehensive income for the year			
Profit for the year	-	29,519,213	29,519,213
Total comprehensive income for the year	-	29,519,213	29,519,213
At 31 March 2018	157,560,604	(3,092,404)	154,468,200

The notes on pages 11 to 20 form part of these financial statements.

Notes to the financial statements
For the year ended 31 March 2018

1. Company information

HCL EAS Limited is a company incorporated in England. The registered office is Axon Centre, Church Road, Egham, Surrey, TW20 9QB, United Kingdom.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Financial Reporting Standard 102 and in accordance with applicable accounting standards under the historical cost convention.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The company's functional and presentational currency is US Dollars.

The financial statements contain information about HCL EAS as an individual Company and are not consolidated financial statements. The Company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare group financial statements as it and its subsidiary undertakings are included in the group financial statements of its parent, HCL Technologies Limited, a Company incorporated in India, which are publicly available.

2.2 Financial reporting standard 102 - reduced disclosure exemptions

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

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

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

2.3 Going concern

The Company has net assets and has considerable financial resources in the form of investment in shares of various group companies providing services associated with software consultancy services, business process outsourcing and infrastructure management services. As a consequence, the Directors believe that the Company is well placed to manage its financial risk successfully.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the reports and financial statements.

Notes to the financial statements

For the year ended 31 March 2018

2. Accounting policies(continued)

2.4 Revenue

Revenue (license fee) is recognised from the lease of the ALPS software asset to group fellow subsidiary company on the basis of "total chargeable policy count", being the number of policies invoiced to clients in the financial year. License fee is chargeable on a "per policy" basis and is based on the pricing schedule prescribed in the leasing agreement.

2.5 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.6 Financial instruments

The Company enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like cash, trade and other accounts receivable and payable, forward contracts, bank overdraft, loans to and from related parties and investments.

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

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

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

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

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

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

Notes to the financial statements

For the year ended 31 March 2018

2. Accounting policies(continued)

2.6 Financial instruments (continued)

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

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

2.7 Impairment of assets

At each reporting date, fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the statement of comprehensive income.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the statement of comprehensive income.

2.8 Foreign currency translation

The financial statements of the company are presented in US Dollars.

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

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

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

Notes to the financial statements

For the year ended 31 March 2018

2. Accounting policies(continued)

2.9 Provision for Liabilities

A provision is recognised when a company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are created based on best estimate availability at the time of creating the liability which is reviewed from time to time and updated appropriately.

2.10 Taxation

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

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

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

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

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

2.11 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.12 Finance costs

Finance costs are charged to the Income statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

3. Judgements in applying accounting policies and key resources of estimation uncertainty

The preparation of financial statements in conformity with FRS102 requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, costs, expenses and other comprehensive income that are reported and disclosed in the financial statements and accompanying notes. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Significant estimates and assumptions are used as follows

Notes to the financial statements

For the year ended 31 March 2018

3. Judgements in applying accounting policies and key resources of estimation uncertainty (continued)

Provisions against impairment of investments

Using information available at the balance sheet date, the Directors make assumptions on any indication that those investments have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected investment is estimated and compared with its carrying amount. If the estimated net worth amount is lower, the carrying amount is reduced to its estimated net worth amount.

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

4. Analysis of turnover

Turnover represents the amounts derived from the lease of the ALPS software asset to a fellow subsidiary company. All turnover is generated within the UK.

5. Operating profit

The operating profit is stated after charging/(crediting):

	Year ended 31 March 2018 $	Year ended 31 March 2017 $
Fees payable to the Company's auditor and its associates for the audit of the company's annual accounts	**3,795**	3,271
Exchange differences	**(2,665,114)**	1,353,953

6. Directors' remuneration

All of the directors of the company are also directors in other group companies within the HCL group, and are also employees of the ultimate parent undertaking. All of these companies together are viewed as on business unit and their salaries are paid by the ultimate parent undertaking. The directors believe that remuneration applicable towards efforts for this company is negligible.

The company has no key management personnel other than the directors

7. Interest receivable and similar income

	Year ended 31 March 2018 $	Year ended 31 March 2017 $
Interest receivable from group companies	**1,243,554**	1,376,734
Other interest receivable	**39,636**	654
	1,283,190	1,377,388

Notes to the financial statements

For the year ended 31 March 2018

8. Interest payable and similar charges

	Year ended 31 March 2018 $	Year ended 31 March 2017 $
Bank interest payable	40,502	126,016
Loan from group undertakings	1,285,825	748,230
	1,326,327	874,246

9. Taxation on ordinary activities

The tax assessed for the year/period is higher than (2017 - lower than) the standard rate of corporation tax in the UK of 19% (2017 - 20%). The differences are explained below:

	Year ended 31 March 2018 $	Year ended 31 March 2017 $
Corporation Tax		
Current tax on profits for the year	816,076	1,113,184
Adjustments in respect of previous periods	-	(178,887)
Total current tax	816,076	934,297
Deferred Tax		
Origination and reversal of timing differences	(282,462)	-
Impact of rate change	19,992	-
Total deferred Tax	(262,470)	-
Taxation on profit on ordinary activities	553,606	934,297

Factors affecting tax credit for the year

	31 March 2018 $	31 March 2017 $
Profit on ordinary activities before tax	30,072,819	620,486
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 -20%)	5,713,836	124,097
Effects of:		
Movement in unrecognized deferred tax	(1,127,691)	(124,097)
Non- taxable income	(4,868,607)	-
Withholding tax write off	-	17,143
Impact of change in tax rate	19,992	-
Adjustment in respect of previous period	-	(178,887)
Other timing difference	816,076	1,096,041
Total tax charge for the year	553,606	934,297

Notes to the financial statements

For the year ended 31 March 2018

9. Taxation on ordinary activities (continued)

The unrecognised deferred tax asset comprise:

	31 March 2018	31 March 2017
	$	**$**
Tax losses	2,852,400	3,697,818
Decelerated capital allowances	-	308,206
	2,852,400	4,006,024

The directors consider that it is less likely than not that there will be sufficient taxable profits in the future to realise the deferred tax asset in respect of losses carried forward and therefore no asset has been recognised in these financial statements.

Announcements have been made by the Chancellor of the Exchequer of proposed changes to corporation tax rates that will have an effect on the future tax charge of the company. Reductions in the corporation tax rate to 19% from 1 April 2017 and 17% from 1 April 2020 have been announced and substantively enacted at the balance sheet date.

10. Investments

	Investments in subsidiary companies
	$
Cost or valuation	
At 1 April 2017	696,857,205
Additions	-
At 31 March 2018	**696,857,205**
At 31 March 2018	**696,857,205**
At 31 March 2017	696,857,205

Subsidiary undertakings

The directors believe that the book value of investments is supported by their underlying net assets.

The following were subsidiary undertakings of the Company:

Name	**Country of incorporation**	**Class of shares**	**Holding**	**Principal activity**
Axon Group Limited	England	Ordinary	100%	Holding Company
HCL Technologies Philippines Inc.	Philippines	Ordinary	100%	IT and IT Enabled Services
HCL Technologies France SAS	France	Ordinary	100%	IT and IT Enabled Services
Espanola De HCL Technologies Sl	Spain	Ordinary	100%	IT and IT Enabled Services

There is no change in percentage of holdings of subsidiary undertaking in comparison to previous year.

Notes to the financial statements

For the year ended 31 March 2018

11. Debtors: Amounts falling due within one year

	31 March 2018	31 March 2017
	$	$
Amounts owed by group undertakings	**67,288,826**	40,984,314
Other debtors	**3,754**	3,754
Tax recoverable	**21,840**	21,840
	67,314,420	41,009,908

Amounts owed by group undertakings can be analysed as follows:

	31 March 2018	31 March 2017
	$	$
Amounts owed by group undertakings-loans	**64,382,396**	40,119,480
Amounts owed by group undertakings-other	**2,906,430**	864,834
	67,288,826	40,984,314

Loans due from group undertakings incur interest at LIBOR + variable bps, are unsecured, and have no fixed date of repayment.

Debtors: Amounts falling after one year

	31 March 2018	31 March 2017
	$	$
Deferred Tax	**262,470**	-
	262,470	-

Included within deferred tax $50,843 (2017- Nil) related to unwinding within 12 months as on the reporting date.

12. Cash and cash equivalents

	31 March 2018	31 March 2017
	$	$
Cash at bank	**11,489,433**	39
	11,489,433	39

13. Creditors: Amounts falling due within one year

	31 March 2018	31 March 2017
	$	$
Other creditors	**1,911,122**	1,096,041
Bank overdraft	**-**	2,358,514
Amounts owed to group undertakings	**45,841,326**	35,745,678
Accruals and deferred income	**4,180**	19,232
	47,756,628	39,219,465

Loans owed to group undertakings incur interest at LIBOR + variable bps, are unsecured, and have no fixed date of repayment.

Notes to the financial statements

For the year ended 31 March 2018

14. Deferred Tax

	Deferred tax
	$
At 1 April 2017	-
Credited to profit and loss	(262,470)
At 31 March 2018	(262,470)

The provision for deferred tax is made up as follows

	$
Accelerated capital allowances	262,470
Total	262,470

Deferred tax reconciliation

	$
At the beginning of the year	-
Effect of rate change	(19,992)
Deferred tax credit for the year	282,462
Total	262,470

15. Creditors: Amounts falling due after more than one year

	31 March 2018	31 March 2017
	$	$
Share capital treated as debt	**573,698,700**	573,698,700
	573,698,700	573,698,700

Disclosure of the terms and conditions attached to the non-equity shares is made in note 16

Notes to the financial statements

For the year ended 31 March 2018

16. Share Capital

	Year ended 31 March 2018 $	Year ended 31 March 2017 $
Shares classified as equity		
Allotted, called up and fully paid		
101,843,957- Ordinary shares of £ 1each	**157,560,604**	157,560,604
Shares classified as debt		
Allotted, called up and fully paid		
573,698,700-Preference shares of $1 each	**573,698,700**	573,698,700

Cumulative preference shares carry an annual coupon rate of 4 %. The dividend on these shares will be payable if the company has sufficient distributable profit before its redemption. No preference shares were issued during the year (period to 31 March 2017: none)

17. Related party transactions

The company has taken advantage of the exemption available in section 33 of FRS102 from disclosing transactions with related parties that are wholly owned by HCL Technologies Limited group, on the basis that 100% of the Company's voting rights are controlled within the group and consolidated financial statements in which the Company is included are available

18. Controlling party

The Company is a subsidiary undertaking of HCL Technologies Austria Gmbh Limited, a Company incorporated in Austria. The Company's ultimate parent undertaking and controlling party is HCL Technologies Limited, a Company incorporated in India.

The largest and smallest group of undertaking that include the result of the company headed by HCL Technologies Limited. The group financial statements are available to the public and may be obtained from HCL Technologies Limited, Noida, Uttar Pradesh, India.