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HCL Technologies Romania S.R.L.

Financial Statements

For the year ended 31st December 2017 and 2016

S.R. BATLIBOI & CO. LLP
Chartered Accountants

Golf View Corporate Tower - B
Sector-42, Sector Road
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INDEPENDENT AUDITOR'S REPORT

To the Members of HCL Technologies Romania S.R.L.

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of HCL Technologies Romania S.R.L. ("the Company"), which comprise the Balance Sheet as at December 31, 2017, 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 ended December 31, 2017 then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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S.R. BATLIBOI & CO. LLP
Chartered Accountants

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 December 31, 2017, 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 December 31, 2017 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

Nilangshu Katriar

per Nilangshu Katriar
Partner
Membership Number: 58814

S.R. BATLIBOI & CO. LLP GURGAON

Place: Gurgaon
Date: July 02, 2018

HCL Technologies Romania S.R.L.
Balance Sheet as at 31 December 2017

	Note No.	As at 31 December 2017 (RON)	As at 31 December 2016 (RON)	As at 31 December 2017 refer note 1(a) (₹)
I. ASSETS				
(1) Non-current assets				
(a) Property, Plant and Equipment	2.1	150,571	49,249	2,474,371
(b) Financial Assets				
(i) Others	2.2	128,561	177,081	2,112,669
(c) Deferred tax assets (net)	2.8	24,058	8,334	395,353
(2) Current assets				
(a) Inventories	2.3	23,204	54,763	381,316
(b) Financial Assets				
(i) Trade receivables	2.4	1,620,062	567,043	26,622,803
(ii) Cash and cash equivalents	2.5	618,184	1,139,784	10,158,741
(iii) Others	2.2	48,534	187,333	797,563
(c) Other current assets	2.6	7,267	8,046	119,420
(d) Current tax assets (net)		31,419	-	516,312
TOTAL ASSETS		**2,651,860**	**2,191,633**	**43,578,548**
II. EQUITY				
(a) Equity share capital	2.7	353,290	353,290	5,805,685
(b) Other equity		466,921	168,195	7,673,006
TOTAL EQUITY		**820,211**	**521,485**	**13,478,691**
III. LIABILITIES				
(1) Current liabilities				
(a) Financial liabilities				
(i) Trade payables	2.9	1,348,423	913,731	22,158,924
(ii) Others	2.10	334,453	536,950	5,496,127
(b) Other current liabilities	2.11	142,830	219,467	2,347,151
(c) Provisions	2.12	5,943	-	97,655
TOTAL EQUITY AND LIABILITIES		**2,651,860**	**2,191,633**	**43,578,548**
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

S.R. BATLIBOI & CO. LLP GURGAON

Gurgaon, India
Date : 02 July, 2018

For and on behalf of the Board of Directors of HCL Technologies Romania S.R.L.

Bejoy George
Director

Shiv Walia
Director

Date : 02 July, 2018

HCL Technologies Romania S.R.L.

Statement of Profit and Loss for the year ended 31 December 2017

		Note No.	Year ended 31 December 2017 (Twelve months) (RON)	Year ended 31 December 2016 (Nine months) refer note 1(a) (RON)	Year ended 31 December 2017 (Twelve months) refer note 1(a) (₹)
I	Revenue				
	Revenue from operations	2.13	2,658,591	1,886,611	43,689,158
	Total income		2,658,591	1,886,611	43,689,158
II	Expenses				
	Purchase of stock-in-trade		23,204	2,068	381,316
	Changes in inventories of stock-in-trade	2.14	31,559	(2,068)	518,608
	Employee benefits expense	2.15	147,271	-	2,420,134
	Finance costs	2.16	5,249	4,661	86,258
	Depreciation and amortization expense	2.1	31,633	10,255	519,829
	Outsourcing Costs		1,923,604	1,771,738	31,610,969
	Other expenses	2.17	159,134	88,148	2,615,067
	Total expenses		2,321,654	1,874,802	38,152,181
III	Profit before tax		336,937	11,809	5,536,977
IV	Tax expense	2.8			
	Current tax		53,935	-	886,328
	Deferred tax charge		(15,724)	(27,621)	(258,396)
	Total tax expense		38,211	(27,621)	627,932
V	Profit for the period		298,726	39,430	4,909,045
VI	Other comprehensive income				
	Items that will not be reclassified to statement of profit or loss		-	-	-
	Items that will be reclassified subsequently to statement of profit or loss		-	-	-
			-	-	-
VII	Total Comprehensive Income for the period		298,726	39,430	4,909,045
	Earnings per equity share of RON 10 each	2.18			
	Basic		8.46	1.12	138.95
	Diluted		8.46	1.12	138.95
	Summary of significant accounting policies	1			

The accompanying notes are an integral part of the financial statements

As per our report of even date

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Gurgaon, India
Date : 02 July, 2018

S.R. BATLIBOI & CO. LLP GURGAON

For and on behalf of the Board of Directors
of HCL Technologies Romania S.R.L.

Bejoy George
Director

Shiv Walia
Director

Date : 02 July, 2018

HCL Technologies Romania S.R.L.
Statement of cash flows for the year ended 31 December 2017

	Year ended 31 December 2017 (Twelve months) (RON)	Year ended 31 December 2016 (Nine months) refer note 1(a) (RON)	Year ended 31 December 2017 (Twelve months) refer note 1(a) (₹)
A. Cash flows from operating activities			
Profit before tax	336,937	11,809	5,536,977
Adjustment for:			
Depreciation and amortization expense	31,633	10,255	519,829
Provision for doubtful debts / bad debts written off	102,346	-	1,681,872
Operating profit before working capital changes	**470,916**	**22,064**	**7,738,678**
Movement in Working Capital			
(Increase)/decrease in trade receivables	(1,155,365)	500,862	(18,986,344)
(Increase)/decrease in inventories	31,559	(2,068)	518,608
(Increase)/decrease in other financial assets and other assets	188,098	591,154	3,091,058
Increase/ (decrease) in trade payables	434,692	(458,632)	7,143,373
Increase/ (decrease) in provisions, other financial liabilities and other liabilities	(273,182)	281,429	(4,489,255)
Cash generated from/ (used in) operations	**(303,282)**	**934,809**	**(4,983,882)**
Direct taxes paid (net of refunds)	(85,354)	-	(1,402,637)
Net cash flow from/ (used in) operating activities (A)	**(388,636)**	**934,809**	**(6,386,519)**
B. Cash flows from investing activities			
Purchase of property,plant and equipment, including capital work in progress	(132,955)	(14,917)	(2,184,882)
Net cash flow used in investing activities (B)	**(132,955)**	**(14,917)**	**(2,184,882)**
C. Cash flows from financing activities			
Interest paid	(9)	-	(148)
Net cash flow used in financing activities (C)	**(9)**	**-**	**(148)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(521,600)	919,892	(8,571,549)
Cash and cash equivalents at the beginning of the period	1,139,784	219,892	18,730,290
Cash and cash equivalents at the end of the period as per note no 2.5	**618,184**	**1,139,784**	**10,158,741**
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

S.R. BATLIBOI & CO. LLP GURGAON

Gurgaon, India
Date : 02 July, 2018

For and on behalf of the Board of Directors of HCL Technologies Romania S.R.L.

Bejoy George
Director

Shiv Walia
Director

Date : 02 July, 2018

HCL Technologies Romania S.R.L.
Statement of Changes in Equity for the year ended 31 December 2017

(Amounts in RON)

	Equity share capital		**Other Equity**
	Shares	**Share capital**	**Reserves and Surplus**
			Retained Earnings
Balance as of April 1, 2016	35,329	353,290	128,765
Profit for the period	-	-	39,430
Other comprehensive income / (loss)	-	-	-
Total comprehensive income for the period	-	-	39,430
Balance as of December 31, 2016	35,329	353,290	168,195
Balance as of January 1, 2017	35,329	353,290	168,195
Profit for the period	-	-	298,726
Other comprehensive income / (loss)	-	-	-
Total comprehensive income for the period	-	-	298,726
Balance as of December 31, 2017	35,329	353,290	466,921
Balance as of December 31, 2017 (Amounts in ₹)	35,329	5,805,685	7,673,006

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

S.R. BATLIBOI & CO. LLP
GURGAON

per Nilangshu Katriar
Partner
Membership Number: 58814

Gurgaon, India
Date : 02 July, 2018

For and on behalf of the Board of Directors
of HCL Technologies Romania S.R.L.

Bejoy George
Director

Shiv Walia
Director

Date : 02 July, 2018

ORGANIZATION AND NATURE OF OPERATIONS

HCL Technologies Romania S.R.L. (hereinafter referred to as "the Company") is primarily engaged in providing a range of infrastructure services. The Company was registered in Romania on May 28, 2009 having its registered office at Office 2, Room 5, Semi-basement, 15-17 Helesteului street, 1st District, Bucharest, Romania.

The financial statements for the period ended 31st December, 2017 were approved and authorized for issue by the Board of Directors on 02 July, 2018.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended.

These financial statements have been prepared under the historical cost convention on an accrual and going concern basis, except for the certain financial assets and liabilities which have been 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.

During the previous year company has also changed its financial year from "April to March" to "January to December" in order to match it as per local financial year. Hence, previous year is for nine months period from 1st April 2016 to 31st December 2016 therefore, current year and previous year are not comparable.

The Company uses the Romanian New Lie ('RON') as its reporting currency. The translation from RON to ₹ is unaudited and is included solely for the convenience of readers in India and has been performed using rate of RON 1 = ₹ 16.4332 , 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 RON at that or any other rate.

(b) *Use of estimates*

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

(c) Foreign currency and translation

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

(d) Fair value measurement

The Company records certain financial assets and liabilities at fair value on a recurring basis. The Company determines fair values based on the price it would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability.

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

a) Market approach – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.

b) Income approach – Converting the future amounts based on market expectations to its present value using the discounting method.

c) Cost approach – Replacement cost method.

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

(e) Revenue recognition

Contracts involving provision of services

Revenue is recognized when persuasive evidence of an arrangement exists, services have been rendered, the fee is determinable and collectability is reasonably assured. Contracts can be primarily categorized as time-and-material or fixed price contracts.

Time-and-material contracts

Revenue with respect to time-and-material contracts is recognized as the related services are performed.

Fixed Price contracts

Revenue related to contracts providing maintenance and support services, is recognized over the term of the contract.

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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 year in which the circumstances that gave rise to the revision become known to the management. If at any time these estimates indicate that the contract will be unprofitable, the entire estimated loss for the remainder of the contract is recorded immediately.

Revenue related to other fixed price contracts is recognized in accordance with the Percentage of Completion method (POC). The cost incurred on the projects is used to measure progress towards completion. Costs are recorded as incurred over the contract period. Any revision in cost to complete would result in increase or decrease in revenue and income and such changes are recorded in the year in which they are identified. 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 from product sales are shown net of sales tax and applicable discounts and allowances. Revenue related to product with installation services that are critical to the product is recognized when installation of product at customer site is completed and accepted by the customer. If the revenue for a delivered item is not recognized for non-receipt of acceptance from the customer, the cost of the delivered item is also deferred. Revenue from maintenance services is recognized ratably over the period of the contract.

Multiple-element arrangements

When a sales arrangement contains multiple elements, such as services, hardware and software products and licenses, revenue for each element is determined based on its fair value.

Revenue recognition for delivered elements is limited to the amount that is not contingent on the future delivery of products or services, future performance obligations or subject to customer-specified return or refund privileges.
Revenue from activities in transition services not having standalone value in outsourcing arrangements is deferred and recognized over the period of the arrangement. Direct and incremental costs in relation to such an arrangement are also deferred to the extent of revenue. Certain upfront non-recurring contract acquisition costs incurred in the initial phases of outsourcing contracts are deferred and amortized usually on a straight line basis, over the term of the contract unless revenues are earned and obligations are fulfilled in a different pattern. The undiscounted cash flows from the arrangement are periodically estimated and compared with the unamortized costs. If the unamortized costs exceed the undiscounted cash flow, a loss is recognized.

In instances when revenue is derived from sales of third-party vendor services, material or licenses, revenue is recorded on a gross basis when the Company is a principal to the transaction and net of costs when the Company is acting as an agent between the customer and the vendor. Several factors are considered to determine whether the Company is a principal or an agent, most notably whether the Company is the primary obligor to the customer, has established its own pricing, and has inventory and credit risks.

Revenue is recognized net of discounts and allowances, value-added tax and service tax, and includes reimbursement of out-of-pocket expenses, with the corresponding out-of-pocket expenses included in cost of revenues.

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Revenue from financing leases is recognized when risk of loss has been transferred to the client and there are no unfulfilled obligations that affect the final acceptance of the arrangement by the client. Interest attributable to financing leases included therein is recognized on an accrual basis using the effective interest method.

(f) Income taxes

Income tax expense comprises current and deferred income tax.

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

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.

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 entity and the same taxation authority.

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

(g) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. The Company identifies and determines separate useful lives for each major component of the property, plant and equipment, if they have a useful life that is materially different from that of the asset as a whole.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard or period of performance. All other expenses on existing property, plant and equipment, including day-to-day repairs, maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the year during which such expenses are incurred.

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

Depreciation on property, plant and equipment is provided on the straight-line method over their estimated useful lives, as determined by the management. Depreciation is charged on a pro-rata basis for assets purchased/sold during the year.

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

Asset description	Asset life (in years)
Computers	4-5

The useful lives of customer specific computers will be amortized over the lives of projects.

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.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

(h) Leases

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the year in which they are earned.

Leases in which the Company transfers substantially all the risk and benefits of ownership of the asset are classified as finance leases. Assets given under finance lease are recognized as a receivable at an amount equal to the net investment in the leased assets. After initial recognition, the Company apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance leases. The interest income is recognized in the statement of profit and loss. Initial direct costs such as legal cost, brokerage cost etc. are recognized immediately in the statement of profit and loss.

(i) *Inventory*

Stock-in-trade are valued at the lower of the cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Cost of stock-in-trade procured for specific projects is assigned by identifying individual costs of each item. Cost of stock-in-trade, that are interchangeable and not specific to any project is determined using the weighted average cost formula.

(j) Impairment of non-financial assets

Property, plant and equipment

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the asset exceeds the estimated recoverable amount of the asset.

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(k) Provisions

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

(l) Retirement and other employee benefits

(i) 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 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 12 months, is treated as a short-term employee benefit and accumulated leave expected to be carried forward beyond twelve months is treated as a long-term employee benefit for measurement purposes. The expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

(ii) In respect of social security, a defined contribution plan for applicable employees, the Company contributes to a scheme and such contributions for each year of service rendered by the employees are charged to the statement of profit and loss. The Company has no further obligations to the social security beyond its contributions.

(m) 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 banks, which is subject to an insignificant risk of changes in values.

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
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

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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 except for deferred consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. 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.

(n) Earnings per share (EPS)

Basic 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 outstanding during the year.

Diluted EPS amounts are computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares). Dilutive potential equity shares are deemed converted as at the beginning of the year, unless issued at a later date. Dilutive potential equity shares are determined independently for each year presented.

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Notes to financial statements for the year ended 31 December 2017

2. Notes to financial statements

2.1 Property, plant and equipment

The changes in the carrying value for the period ended 31 December 2017

	Computers (RON)	Computers (₹)
Gross block as at 1 January 2017	75,414	1,239,293
Additions	132,955	2,184,882
Disposals/writte off	4,147	68,145
Gross block as at 31 December 2017	204,222	3,356,030
Accumulated depreciation as at 1 January 2017	26,165	429,975
Charge for the period	31,633	519,829
Deduction/other adjustments	4,147	68,145
Accumulated depreciation as at 31 December 2017	53,651	881,659
Net block as at 31 December 2017	150,571	2,474,371

The changes in the carrying value for the period ended 31 December 2016

	Computers (RON)
Gross block as at 1 April 2016	60,497
Additions	14,917
Gross block as at 31 December 2016	75,414
Accumulated depreciation as at 1 April 2016	15,910
Charge for the period	10,255
Accumulated depreciation as at 31 December 2016	26,165
Net block as at 31 December 2016	49,249

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2.2 Others Financial Assets

	As at		
	31 December 2017 (RON)	31 December 2016 (RON)	31 December 2017 (₹)
Non - Current			
Carried at amortized cost			
Finance lease receivables (refer note : 2.19)	128,561	177,081	2,112,669
	128,561	**177,081**	**2,112,669**
Current			
Carried at amortized cost			-
Unbilled revenue	14	87,263	230
Unbilled revenue-related parties (refer note:2.22)	-	56,149	-
Finance lease receivables (refer note : 2.19)	48,520	43,921	797,333
	48,534	**187,333**	**797,563**

2.3 Inventories

	As at		
	31 December 2017 (RON)	31 December 2016 (RON)	31 December 2017 (₹)
Stock in trade	23,204	54,763	381,316
	23,204	**54,763**	**381,316**

2.4 Trade Receivable

	As at		
	31 December 2017 (RON)	31 December 2016 (RON)	31 December 2017 (₹)
Unsecured considered good (refer note below)	1,620,062	567,043	26,622,803
Unsecured considered doubtful	102,346	-	1,681,872
	1,722,408	**567,043**	**28,304,675**
Provisions for doubtful receivables	(102,346)	-	(1,681,872)
	1,620,062	**567,043**	**26,622,803**

Note:-

1. Includes receivables from related parties amounting to RON 1,058,934 (31 December 2016, RON 91,569, 31 December 2017, ₹ 17,402).

2.5 Cash and cash equivalents

	As at		
	31 December 2017 (RON)	31 December 2016 (RON)	31 December 2017 (₹)
Balance with banks			
- in current accounts	618,184	1,139,784	10,158,741
	618,184	**1,139,784**	**10,158,741**

2.6 Other current assets

	As at		
	31 December 2017 (RON)	31 December 2016 (RON)	31 December 2017 (₹)
Unsecured , considered good			
Advances other than capital advances			
Advances to related parties (refer note:2.22)	7,267	8,046	119,420
	7,267	**8,046**	**119,420**

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2.7 Share Capital

	As at		
	31 December 2017	31 December 2016	31 December 2017
	(RON)	(RON)	(₹)
Issued, subscribed and fully paid up			
35,329 (Previous year- 35,329) equity shares of RON 10 each	353,290	353,290	5,805,685

Terms/ rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of RON 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 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 number of shares outstanding at the beginning and at the end of the financial year

	As at					
	31 December 2017		31 December 2016		31 December 2017	
	No. of shares	(RON)	No. of shares	(RON)	No. of shares	(₹)
Number of shares at the beginning	35,329	353,290	35,329	353,290	35,329	5,805,685
Add: Shares issued during the year	-	-	-	-	-	-
Number of shares at the end	35,329	353,290	35,329	353,290	35,329	5,805,685

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

Name of the shareholder	As at			
	31 December 2017		31 December 2016	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of RON 10 each fully paid				
HCL Bermuda Limited (Holding company)	35,328	99.99%	35,328	99.99%

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 during five years immediately preceding the reporting date.

Capital management

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

2.8 Income taxes

	Year ended		
	31 December 2017	31 December 2016	31 December 2017
	(Twelve months)	(Nine months)	(Twelve months)
	(RON)	(RON)	(₹)
Income tax charged to statement of profit and loss			
Current income tax charge	53,935	-	886,328
Adjustment in respect of prior year	(24,449)	-	(401,775)
Deferred tax charge (credit)	8,725	(27,621)	143,373
	38,211	(27,621)	627,926

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

	Year ended		
	31 December 2017 (Twelve months) (RON)	31 December 2016 (Nine months) (RON)	31 December 2017 (Twelve months) (₹)
Profit before income tax	336,937	11,809	5,536,977
Statutory tax rate	16%	16%	16%
Expected tax expense	**53,910**	**1,890**	**885,916**
Carried forward loss set off	(13,836)	-	(227,370)
Reversal of prior year provision	(10,613)	-	(174,406)
WDV differnce	8,762		
Others	(12)	(29,511)	(203)
Total taxes	**38,211**	**(27,621)**	**483,937**
Effective income tax rate	11%	-234%	9%

Components of deferred tax assets and liabilities as on 31 December 2017

(Amounts in RON)

	Opening balance	Recognized in profit and loss	Recognised in / reclassified from OCI	Recognized directly in equity and against tax liability	Closing balance
Deferred tax assets					
Business losses	8,334	(8,334)	-	-	-
Provision for DD	-	11,463	-	-	11,463
Provision for Leave Encashment	-	950	-	-	950
Provision for expenses	-	2,923	-	-	2,923
Capital Allowances	-	8,722	-	-	8,722
Gross deferred tax assets (A)	8,334	15,724	-	-	24,058
Deferred tax liabilities					
Others	-	-	-	-	-
Gross deferred tax liabilities (B)	-	-	-	-	-
Net deferred tax assets/(liabilities) (A-B)	8,334	15,724	-	-	24,058

Components of deferred tax assets and liabilities as on 31 December 2016

(Amounts in RON)

	Opening balance	Recognized in profit and loss	Recognised in / reclassified from OCI	Recognized directly in equity and against tax liability	Closing balance
Deferred tax assets					
Business losses	10,224	(1,890)			8,334
Gross deferred tax assets (A)	10,224	(1,890)	-	-	8,334
Deferred tax liabilities					
Others	29,511	(29,511)			-
Gross deferred tax liabilities (B)	29,511	(29,511)	-	-	-
Net deferred tax assets/(liabilities) (A-B)	(19,287)	27,621	-	-	8,334

Components of deferred tax assets and liabilities as on 31 December 2017

(Amounts in ₹)

	Opening balance	Recognized in profit and loss	Recognised in / reclassified from OCI	Recognized directly in equity and against tax liability	Closing balance
Deferred tax assets					
Business losses	136,957	(136,957)	-	-	-
Provision for DD	-	188,370	-	-	188,370
Provision for Leave Encashment	-	15,618	-	-	15,618
Provision for expenses	-	48,038	-	-	48,038
Capital Allowances	-	143,327	-	-	143,327
Gross deferred tax assets (A)	136,957	258,396	-	-	395,353
Deferred tax liabilities					
Others	-	-	-	-	-
Gross deferred tax liabilities (B)	-	-	-	-	-
Net deferred tax assets/(liabilities) (A-B)	136,957	258,396	-	-	395,353

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Notes to financial statements for the year ended 31 December 2017

2.9 Trade payables

	As at		
	31 December 2017	31 December 2016	31 December 2017
	(RON)	(RON)	(₹)
Trade payables- related parties (refer note:2.22)	1,330,118	913,731	21,858,095
Trade payables	18,305	-	300,829
	1,348,423	**913,731**	**22,158,924**

2.10 Other financial liabilities

	As at		
	31 December 2017	31 December 2016	31 December 2017
	(RON)	(RON)	(₹)
Current			
Carried at amortized cost			
Accrued salaries and benefits			
Employee bonus accrued	6,820	-	112,074
Interest accrued but not due on borrowings (related parties)-(refer note 2.22)	154	163	2,531
Others			
Liabilities for expenses	291,830	471,267	4,795,695
Liabilities for expenses-related parties (refer note 2.22)	35,649	65,520	585,827
	334,453	**536,950**	**5,496,127**

2.11 Other current liabilities

	As at		
	31 December 2017	31 December 2016	31 December 2017
	(RON)	(RON)	(₹)
Withholding and other taxes payable	142,830	219,467	2,347,151
	142,830	**219,467**	**2,347,151**

2.12 Provisions

	As at		
	31 December 2017	31 December 2016	31 December 2017
	(RON)	(RON)	(₹)
Current			
Provision for leave benefits	5,943	-	97,655
	5,943	**-**	**97,655**

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Notes to financial statements for the year ended 31 December 2017

2.13 Revenue from operations

	Year ended		
	31 December 2017	31 December 2016	31 December 2017
	(Twelve months)	(Nine months)	(Twelve months)
	(RON)	(RON)	(₹)
Sale of services	2,633,352	1,868,764	43,274,400
Sale of hardware and software	25,239	17,847	414,758
	2,658,591	1,886,611	43,689,158

2.14 Changes in inventories of traded goods

	Year ended		
	31 December 2017	31 December 2016	31 December 2017
	(Twelve months)	(Nine months)	(Twelve months)
	(RON)	(RON)	(₹)
Opening stock	54,763	52,695	899,924
Closing stock	23,204	54,763	381,316
	31,559	(2,068)	518,608

2.15 Employee benefits expenses

	Year ended		
	31 December 2017	31 December 2016	31 December 2017
	(Twelve months)	(Nine months)	(Twelve months)
	(RON)	(RON)	(₹)
Salaries, wages and bonus	115,329	-	1,895,225
Contribution to provident fund and other employee funds	31,942	-	524,909
	147,271	-	2,420,134

2.16 Finance cost

	Year ended		
	31 December 2017	31 December 2016	31 December 2017
	(Twelve months)	(Nine months)	(Twelve months)
	(RON)	(RON)	(₹)
Bank charges	5,249	4,661	86,258
	5,249	4,661	86,258

2.17 Other expenses

	Year ended		
	31 December 2017	31 December 2016	31 December 2017
	(Twelve months)	(Nine months)	(Twelve months)
	(RON)	(RON)	(₹)
Legal and professional charges	46,274	37,015	760,430
Exchange differences (net)	9,237	51,133	151,793
Provision for doubtful debts / bad debts written off	102,346	-	1,681,872
Recruitment, training and development	846	-	13,896
Rates and taxes	431	-	7,076
	159,134	88,148	2,615,067

2.18 Earnings Per Share

The computation of earnings per share is as follows:

	Year ended		
	31 December 2017	31 December 2016	31 December 2017
	(Twelve months)	(Nine months)	(Twelve months)
	(RON)	(RON)	(₹)
Net profit as per statement of profit and loss for computation of EPS	298,726	39,430	4,909,045
Weighted average number of equity shares outstanding in calculating Basic EPS/Dilutive EPS	35,329	35,329	35,329
Nominal value of equity shares	10	10	164
Earnings per equity share			
- Basic	8.46	1.12	138.95
- Diluted	8.46	1.12	138.95

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2.19 Finance Lease: In case of assets given on lease

The Company has given IT equipments to its customers on a finance lease basis. The future lease receivables in respect of assets given on finance lease are as follows:

	Total minimum lease payments receivable	Interest included in minimum lease payments receivable	Present value of minimum lease payments receivable
As on 31 December 2017 (Amount In RON)			
Not later than one year	64,044	15,524	48,520
Later than one year and not later than 5 years	144,099	15,538	128,561
Later than 5 years	-	-	-
	208,143	31,062	177,081
As on 31 December 2016 (RON)			
Not later than one year	64,044	20,123	43,921
Later than one year and not later than 5 years	208,143	31,062	177,081
Later than 5 years	-	-	-
	272,187	51,185	221,002
As on 31 December 2017 (₹)			
Not later than one year	1,052,446	255,113	797,333
Later than one year and not later than 5 years	2,368,008	255,339	2,112,669
Later than 5 years	-	-	-
	3,420,454	510,452	2,910,002

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2.20 Segment Reporting

In the opinion of management the 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 Ind AS -108 'Operating Segments'. Accordingly, no disclosures for segment reporting have been included in the financial statements.

2.21 Financial Instruments

(a) Financial assets and liabilities

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

	As at					
	31 December 2017		31 December 2016		31 December 2017	
	Amortized cost	Total carrying value	Amortized cost	Total carrying value	Amortized cost	Total carrying value
	(RON)	(RON)	(RON)	(RON)	(₹)	(₹)
Financial assets						
Trade receivables	1,620,062	1,620,062	567,043	567,043	26,622,803	26,622,803
Cash and cash equivalents	618,184	618,184	1,139,784	1,139,784	10,158,741	10,158,741
Others (refer note 2.2)	177,095	177,095	364,414	364,414	2,910,232	2,910,232
Total	**2,415,341**	**2,415,341**	**2,071,241**	**2,071,241**	**39,691,776**	**39,691,776**
Financial liabilities						
Trade payables	1,348,423	1,348,423	913,731	913,731	22,158,924	22,158,924
Others (refer note 2.10)	334,453	334,453	536,950	536,950	5,496,127	5,496,127
Total	**1,682,876**	**1,682,876**	**1,450,681**	**1,450,681**	**27,655,051**	**27,655,051**

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2.21 Financial instruments (continued)

(b) Financial risk management

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

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 the functional currency. A significant portion of the Company revenue is in US Dollar, Euro and GBP while a large portion of costs are in RON. The fluctuation in exchange rates in respect to RON 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 RON 6,486 (₹ 106,586) for the period ended 31 December, 2017.

The rate sensitivity is calculated by aggregation of the net foreign exchange exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 1% against the respective functional currencies of the Company. The sensitivity analysis presented above may not be representative of the actual change.
Non-derivative foreign currency exposure as of 31 December, 2017 and 31 December 2016 in major currencies is as below:

	Net financial assets			Net financial liabilities		
	31 December 2017	31 December 2016	31 December 2017	31 December 2017	31 December 2016	31 December 2017
	(RON)	(RON)	(₹)	(RON)	(RON)	(₹)
CAD / RON	-	-	-	158,320	-	2,601,703
CNY / RON	-	-	-	78,249	-	1,285,880
EUR / RON	-	-	-	34,757	124,394	571,175
GBP / RON	-	-	-	42,584	182,152	699,788
USD / RON	244,555	102,591	4,018,827	560,911	174,308	9,217,566

(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. 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 and finance lease receivables. The cash resources of the Company are invested with banks after an evaluation of the credit risk. By their nature, all such financial instruments involve risks, including the credit risk of non-performance by counterparties.

The customers of the Company are primarily corporations based in Romania and accordingly, trade receivables and finance lease receivables are concentrated in Romania. The Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivables.

	As at 31 December 2017	As at 31 December 2016	As at 31 December 2017
	(RON)	(RON)	(₹)
Balance at the beginning of the year	-	-	-
Additional provision during the year	102,346	-	1,681,872
Deductions on account of write offs and collections	-	-	-
Balance at the end of the year	**102,346**	**-**	**1,681,872**

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.

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Notes to financial statements for the year ended 31 December 2017

2.22 Related party transactions

a) Related parties where control exists

Ultimate Holding Company

HCL Technologies Limited

Holding Company

HCL Bermuda Limited, Bermuda

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

Ultimate Holding Company

HCL Technologies Limited

Fellow Subsidiaries

Axon Solutions Ltd
Hcl (Brazil) Tecnologia Da Inf
HCL America Inc.
HCL Argentina S.A
HCL Australia Ser Pty Ltd
HCL Axon (Pty) Ltd
HCL Axon Malaysia SDN. BHD.-SD
HCL Axon Solutions (Shanghai)
HCL Axon Technologies Inc.- SD
HCL Belgium N.V./S.A.
HCL GMBH
HCL Great Britain Limited
Hcl Istanbul Bilisim Teknoloji
HCL Technologies B.V.
HCL Technologies Beijing Co Lt
HCL Technologies Chile SpA
HCL Technologies Germany GmbH
HCL Technologies Italy S.p.A.
Hcl Technologies Philippines,
HCL Technologies S.A.
HCL Technologies UK Limited
HCLT Hungry Kft

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2.22 Related party transactions (continued)

Transactions with related parties during the normal course of business	Year ended		
	31 December 2017 (Twelve months) (RON)	31 December 2016 (Nine months) (RON)	31 December 2017 (Twelve months) (₹)
Sale of materials and services			
-Axon Solutions Ltd	151,599	-	2,491,257
-HCL America Inc.	128,889	650,991	2,118,059
-HCL Axon Technologies Inc.- SD	289,599	-	4,759,038
-HCL GMBH	136,017	-	2,235,195
-HCL Technologies Germany GmbH	596,924	-	9,809,371
-Others	440,961	197,335	7,246,403
Total	**1,743,989**	**848,326**	**28,659,323**
Purchase of materials and services			
-HCL Axon Malaysia Sdn. Bhd.-SD	178,578	-	-
-HCL Great Britain Limited	-	355,652	-
-HCL Belgium NV/SA	-	149,612	-
-HCL Technologies Limited	407,599	438,345	6,698,156
-HCL Axon Technologies Inc.	160,780	-	2,642,124
-Others	190,562	205,640	3,131,540
Total	**937,519**	**1,149,249**	**12,471,820**

c) **Outstanding balances**

	As at		
	31 December 2017 (RON)	31 December 2016 (RON)	31 December 2017 (₹)
Interest accrued but not due on borrowings			
-HCL EAS Limited	154	163	2,531
Total	**154**	**163**	**2,531**
Trade payables and other current liabilities			
-HCL Great Britain Limited	43,433	183,009	713,747
-HCL Technologies Limited	777,224	630,048	12,772,284
-HCL Axon Technologies Inc.	158,320	-	2,601,703
-HCL Axon Malaysia SDN. BHD.-SD	234,971	-	3,861,330
-Others	151,819	166,194	2,494,858
Total	**1,365,767**	**979,251**	**22,443,922**
Trade receivables			
-Axon Solutions Ltd	151,599	-	2,491,257
-HCL Technologies Germany GmbH	596,924	-	9,809,371
-HCL Sweden AB	-	7,499	-
-HCL Belgium N.V./S.A.	9,091	22,052	149,394
-HCL Technologies Limited	-	62,018	-
-Others	301,320	-	4,951,652
Total	**1,058,934**	**91,569**	**17,401,674**
Advances to related parties			
-HCL Technologies Columbia	7,267	8,046	119,415
Total	**7,267**	**8,046**	**119,415**
Unbilled recievable			
-HCL Axon (Pty) Ltd.	-	47,104	-
-HCL Axon Malaysia SDN. BHD.	-	9,045	-
Total	-	**56,149**	-

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Notes to financial statements for the year ended 31 December 2017

3. Previous year comparitives

During the previous year company has also changed its financial year from "April to March" to "January to December" in order to match it as per local financial year. Hence, previous year is for nine months period from 1st April 2016 to 31st December 2016.

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

S.R. BATLIBOI & CO. LLP
GURGAON

Gurgaon, India
Date: 02 July, 2018

For and on behalf of the Board of Directors
of HCL Technologies Romania S.R.L.

Bejoy George
Director

Shiv Walia
Director

Date: 02 July, 2018