S.R. BATLIBOI & CO. LLP
Chartered Accountants

2nd & 3rd Floor
Golf View Corporate Tower - B
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INDEPENDENT AUDITOR'S REPORT

To the Members of HCL America Solutions Inc.

Opinion

We have audited the accompanying special purpose Ind AS financial statements of HCL America Solutions Inc. ("the Company"), which comprise the Balance sheet as at March 31, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the special purpose Ind AS financial statements in accordance with the Standards on Auditing (SAs), issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the special purpose Ind AS financial statements.

Responsibility of Management for the special purpose Ind AS Financial Statements

The Company's Board of Directors is responsible for the preparation of these special purpose 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 the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records 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 controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose Ind AS financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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Auditor's Responsibilities for the Audit of the special purpose Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose Ind AS 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 SAs 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 special purpose Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose Ind AS financial statements, including the disclosures, and whether the special purpose Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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Other Matter

These special purpose Ind AS 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 Ind AS financial statements, 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. This report covering the financial statements of the Company for the year ended March 31, 2019 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. 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
Place of Signature: Gurugram
Date: June 28, 2019

S.R. BATLIBOI & CO. LLP
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HCL America Solutions Inc.

FINANCIAL STATEMENTS
For the year ended 31 March 2019 and 31 March 2018

HCL America Solutions Inc.
Balance Sheet as at 31 March 2019
(Amount in lakhs, except share and per share data)

	Note No.	As at 31-Mar-19 (USD)	As at 31-Mar-18 (USD)	As at 31-Mar-19 (Refer note 1 (a)) (₹)
I. ASSETS				
(1) Non-current assets				
(a) Property, plant and equipment	2.1	0	0	5
(b) Other intangible assets	2.2	0	1	22
(c) Financial assets				
(i) Trade Receivables	2.3	-	5	-
(e) Deferred tax assets (net)	2.19	1	3	44
		1	9	71
(2) Current assets				
(a) Financial assets				
(i) Trade receivables	2.3	363	416	25,113
(ii) Cash and cash equivalents	2.4	26	28	1,797
(iii) Unbilled Receivables	2.5	21	100	1,442
(iv) Other Financial Assets	2.6	3	0	207
(b) Other current assets	2.7	27	1	1,873
TOTAL ASSETS		441	554	30,503
II. EQUITY				
(a) Equity share capital	2.8	0	0	7
(b) Other equity		5	(2)	378
Equity attributable to shareholders of the Company		5	(2)	385
TOTAL EQUITY		5	(2)	385
III. LIABILITIES				
(1) Non - current liabilities				
(a) Other Non- Current liabilities	2.12	2	-	166
(2) Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	2.9	33	63	2,281
(ii) Trade payables	2.10	326	364	22,508
(iii) Other financial liabilities	2.11	15	112	1,018
(b) Other current liabilities	2.12	54	10	3,738
(c) Provisions	2.13	6	7	407
TOTAL EQUITY AND LIABILITIES		441	554	30,503
Summary of significant accounting policies	1			

The accompanying notes are an integral part of financial statements

As per our report of even date

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

per Nilangshu Katriar
Partner
Membership Number: 58814

S.R. BATLIBOI & CO. LLP GURUGRAM

Gurugram, India
Date: 28 JUNE 2019

For and on behalf of the Board of Directors
of HCL America Solutions Inc.

C. Vijayakumar
Director

Robin Abrams
Director

Date: 28 JUNE 2019

HCL America Solutions Inc.
Statement of Profit and Loss for the year ended 31 March 2019
(Amount in lakhs, except share and per share data)

		Note No.	Year ended 31-Mar-19 (USD)	Year ended 31-Mar-18 (USD)	Year ended 31-Mar-19 (Refer note 1 (a)) (₹)
I.	**Revenue**				
	Revenue from operations	2.14	1,255	2,043	86,759
	Other income	2.15	1	2	71
	Total Income		1,256	2,045	86,830
II	**Expenses**				
	Purchase of stock-in-trade		16	27	1,131
	Outsourcing costs	2.16	1,226	2,010	84,752
	Finance costs	2.17	1	2	64
	Depreciation and amortisation expense	2.1 & 2.2	0	0	29
	Other expenses	2.18	5	2	313
	Total expenses		1,248	2,041	86,289
III	**Profit before tax**		8	4	562
IV	**Tax Expense**				
	Current tax	2.19	(1)	7	(65)
	Deferred tax charge (credit)		2	(4)	140
	Total tax expense		1	3	75
V	**Profit for the year**		7	1	487
	Earnings per equity share of par value USD 1000 each	2.24			
	Basic		70,508	13,642	4,872,874
	Diluted		70,508	13,642	4,872,874
	Summary of significant accounting policies	1			

The accompanying notes are an integral part of financial statements

As per our report of even date

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

per Nilangshu Katriar
Partner
Membership Number: 58814

Gurugram, India
Date: 28 JUNE 2019

S.R. BATLIBOI & CO. LLP GURUGRAM

For and on behalf of the Board of Directors of HCL America Solutions Inc.

C. Vijayakumar
Director

Robin Abrams
Director

Date: 28 JUNE 2019

HCL America Solutions Inc.
Statement of changes in equity for the year ended 31 March 2019
(Amount in lakhs, except share and per share data)

USD

Particulars	Equity share capital		Other equity	
	Shares	Share capital	Reserves and Surplus	
			Retained earnings	Total
Balance as at 1 April 2017	10	0	(3)	(3)
Profit for the year			1	1
Total comprehensive income for the year			1	1
Balance as at 31 March 2018	**10**	**0**	**(2)**	**(2)**
Balance as at 1 April 2018	10	0	(2)	(2)
Profit for the year			7	7
Total comprehensive income for the year			7	7
Balance as at 31 March 2019	10	0	5	5

(₹)

Particulars	Equity share capital		Other equity	
	Shares	Share capital	Reserves and Surplus	
			Retained earnings	Total
Balance as at 1 April 2017	10	7	(203)	(203)
Profit for the year			94	94
Total comprehensive income for the year			94	94
Balance as at 31 March 2018	**10**	**7**	**(109)**	**(109)**
Balance as at 1 April 2018	10	7	(109)	(109)
Profit for the year			487	487
Total comprehensive income for the year			487	487
Balance as at 31 March 2019	10	7	378	378

Summary of significant accounting policies **1**

The accompanying notes are an integral part of financial statements

As per our report of even date

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

per Nilangshu Katriar
Partner
Membership Number: 58814

Gurugram, India
Date: 28 JUNE 2019

For and on behalf of the Board of Directors
of HCL America Solutions Inc.

C. Vijayakumar
Director

Robin Abrams
Director

Date: 28 JUNE 2019

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HCL America Solutions Inc.
Statement of Cash flows
(Amount in lakhs, except share and per share data)

	Year ended 31-Mar-19 (USD)	Year ended 31-Mar-18 (USD)	Year ended 31-Mar-19 (Refer note 1 (a)) (₹)
A. Cash flows from operating activities			
Profit before tax	8	4	562
Adjustment for:			
Depreciation and amortization	0	0	29
Interest expenses	1	2	64
Provision for doubtful debts/(Bad debts written back)	3	(2)	208
Operating profit before working capital changes	12	4	863
Movement in working capital :			
(Increase) decrease in trade receivables	55	(101)	3,797
(Increase) decrease in other financial assets and other assets	50	(51)	3,462
Increase (decrease) in trade payables	(38)	98	(2,659)
Increase (decrease) in provisions, other financial liabilities and other liabilities	(50)	80	(3,439)
Cash generated from operations	29	30	2,024
Direct taxes paid (net of refunds)	0	1	0
Net cash flow from operating activities (A)	29	31	2,024
B. Cash flows from investing activities			
Purchase of property, plant and equipment and intangibles, including capital work in progress and capital advances	(0)	(0)	(2)
Net cash flow used in investing activities (B)	(0)	(0)	(2)
C. Cash flows from financing activities			
Proceeds from loans taken from group companies	25	-	1,728
Repayment of loans taken from group companies	(55)	(15)	(3,801)
Interest paid	(1)	(2)	(87)
Net cash flow (used in)/ from financing activities (C)	(31)	(17)	(2,160)
Net increase (decrease) in cash and cash equivalents (A+B+C)	(2)	14	(138)
Cash and cash equivalents at the beginning of the year	28	14	1,935
Cash and cash equivalents at the end of the period as per note 2.5	26	28	1,797

Summary of significant accounting policies (Note 1)

The accompanying notes are an integral part of 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 GURUGRAM

Gurugram, India
Date: 28 JUNE 2019

For and on behalf of the Board of Directors
of HCL America Solutions Inc.

C. Vijayakumar
Director

Robin Abrams
Director

Date: 28 JUNE 2019

HCL America Solutions Inc.
Notes to financial statements for the year ended 31 March, 2019
(Amount in lakhs, except share and per share data)

ORGANIZATION AND NATURE OF OPERATIONS

HCL America Solutions Inc., formally known as HCL Technologies Product Design Services Inc. (herein after referred to as "Company") was incorporated on June 26, 2012 having its registered office in 330, Potrero Ave, Sunnyvale in the state of California as HCL Technologies Product Design Services Inc., with the objective to provide product design services. Financial statements have been prepared for the period ended 31 March 2019. The name of the Company was changed on August 27, 2012 from HCL Technologies Product Design Services Inc. to HCL America Solutions Inc.

The financial statements for the year ended 31 March, 2019 were approved and authorized for issue by the Board of Directors on 28 JUNE 2019

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) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). and presentation requirements of Schedule III (Division II) to the Companies Act, 2013, as applicable to the financial statements. These financial statements have been prepared on the request of the Ultimate Holding Company to comply with the financial reporting requirement in India.

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.

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

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

The functional currency of the Company is USD. The translation from USD to ₹ is unaudited and is included solely for the convenience of readers in India and has been performed using rate of USD 1 = ₹ 69.11, 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, USD at that or any other rate.

b) Use of estimates

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

c) Foreign currency and translation

The financial statements of the Company are presented in its functional currency USD. For each foreign operation, the Company determines the functional currency which is its respective local currency.

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

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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 year. 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.

The translation of foreign operations from respective functional currency into INR (the reporting currency) for assets and liabilities is performed using the exchange rates in effect at the balance sheet date, and for revenue, expenses and cash flows is performed using an appropriate daily weighted average exchange rate for the respective years. The exchange differences arising on translation for consolidation are reported as a component of 'other comprehensive income (loss)'. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognized in the statement of profit and loss.

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.

The Company holds certain fixed income securities, equity securities and derivatives, which must be measured using the guidance for fair value hierarchy and related valuation methodologies. The guidance of fair value specifies a hierarchy of valuation techniques based on whether the inputs to each measurement are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's assumptions about current market conditions. The fair value hierarchy also requires a Company to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The prescribed fair value hierarchy and related valuation methodologies are as follows:

Level 1 - Quoted inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.
Level 2 - Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-derived valuations, in which all significant inputs are directly or indirectly observable in active markets.
Level 3 - Valuations derived from valuation techniques, in which one or more significant inputs are unobservable inputs which are supported by little or no market activity.

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

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 methodology.

c) Cost approach – Replacement cost method.

Certain assets are measured at fair value on a non-recurring basis. The assets consist primarily of nonfinancial assets such as goodwill and intangible assets. Goodwill and intangible assets recognized in business combinations are measured at fair value initially and subsequently when there is an indicator of impairment, the impairment is recognized.

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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

Adoption of new accounting principles

Effective 1 April 2018, the Company has adopted Ind AS 115 using the cumulative effect method. The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information is not restated in the financial statement. The adoption of the standard did not have any material impact to the financial statements of the Company.

Contracts involving provision of services and material

Revenue is recognized when, or as, control of a promised service or good transfers to a customer, in an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring those products or services. To recognize revenues, the following five step approach is applied: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenues when a performance obligation is satisfied. Contract is accounted when it is legally enforceable through executory contracts, approval and commitment from all parties, the rights of the parties are identified, payment terms are defined, the contract has commercial substance and collectability of consideration is probable.

Time-and-material contracts

Revenue with respect to time-and-material, volume based and transaction based contracts is recognized as the related services are performed through efforts expended, volume serviced transactions are processed etc. that correspond with value transferred to customer till date which is related to our right to invoice for services performed.

Fixed Price contracts

Revenue related to fixed price contracts where performance obligations and control are satisfied over a period of time like technology integration, complex network building contracts, ERP implementations and Application development are recognized based on progress towards completion of the performance obligation using a cost-to-cost measure of progress (i.e., percentage-of-completion (POC) method of accounting). Revenue is recognized based on the costs incurred to date as a percentage of the total estimated costs to fulfill the contract. Any revision in cost to complete would result in increase or decrease in revenue and such changes are recorded in the period 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 contract estimates. Contract losses are determined to be the amount by which the estimated incremental cost to complete exceeds the estimated future revenues that will be generated by the contract and are included in cost of revenues and recorded in other accrued liabilities

Revenue related to other fixed price contracts providing maintenance and support services, are recognized based on our right to invoice for services performed for contracts in which the invoicing is representative of the value being delivered. If our invoicing is not consistent with value delivered, revenues are recognized as the service is performed based on the cost to cost method described above.

In arrangements involving sharing of customer revenues, revenue is recognized when the right to receive is established.

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 continues to be in inventory.

Multiple performance obligation

When a sales arrangement contains multiple performance, such as services, hardware and Licensed IPs (software) or combinations of each of them revenue for each element is based on a five step approach as defined above. To the extent a contract includes multiple promised deliverables, judgment is applied to determine whether promised

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deliverables are capable of being distinct and are distinct in the context of the contract. If these criteria are not met, the promised deliverables are accounted for as a combined performance obligation. For arrangements with multiple distinct performance obligations or series of distinct performance obligations, consideration is allocated among the performance obligations based on their relative standalone selling price. Standalone selling price is the price at which Company would sell a promised good or service separately to the customer. When not directly observable, we typically estimate standalone selling price by using the expected cost plus a margin approach. We typically establish a standalone selling price range for our deliverables, which is reassessed on a periodic basis or when facts and circumstances change. If the arrangement contains obligations related to License of Intellectual property (Software) or Lease deliverable, the arrangement consideration allocated to the Software deliverables, lease deliverable as a Company is then allocated to each software obligation and lease deliverable.

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 certain activities in transition services in outsourcing arrangements are not capable of being distinct or represent separate performance obligation. Revenues relating to such transition activities are classified as Contract liabilities and subsequently recognized over the period of the arrangement. Direct and incremental costs in relation to such transition activities which are expected to be recoverable under the contract are considered as contract fulfillment costs classified as Deferred contract cost and recognized over the period of arrangement. Certain upfront non-recurring incremental contract acquisition costs incurred in the initial phases of outsourcing contracts are deferred and recorded as Deferred contract cost 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 future 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 being Company control the goods or service before it is transferred to customer, latitude in deciding the price being charged to customer. Revenue is recognized net of discounts and allowances, value-added and service taxes, and includes reimbursement of out-of-pocket expenses, with the corresponding out-of-pocket expenses included in cost of revenues.

Volume discounts, or any other form of variable consideration is estimated using either the sum of probability weighted amounts in a range of possible consideration amounts (expected value), or the single most likely amount in a range of possible consideration amounts (most likely amount), depending on which method better predicts the amount of consideration realizable. Transaction price includes variable consideration only to the extent it is probable that a significant reversal of revenues recognized will not occur when the uncertainty associated with the variable consideration is resolved. Our estimates of variable consideration and determination of whether to include estimated amounts in the transaction price may involve judgment and are based largely on an assessment of our anticipated performance and all information that is reasonably available to us.

Revenue recognized but not billed to customers is classified either as contract assets or unbilled receivable in our statements of financial position, contract assets primarily relate to unbilled amounts on those contracts utilizing the cost to cost method of revenue recognition. Unbilled receivables represent contracts where right to consideration is unconditional (i.e. only the passage of time is required before the payment is due).

Revenue from sales-type 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 sales-type leases and direct financing leases included therein is recognized on an accrual basis using the effective interest method and is recognized as other income.

Interest income

Interest income for all financial instruments measured at amortized cost is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

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f) Income taxes

Income tax expense comprises current and deferred income tax.

Income tax expense is recognized in statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Provision for income tax includes the impact of provisions established for uncertain income tax positions, as well as the related interest 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 period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

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.

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 period during which such expenses are incurred.

Gains or losses arising from de recognition 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.

Property, plant and equipment under construction and cost of assets not ready for use at the year-end are disclosed as capital work- in- progress

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

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

Asset description	Asset life (in years)
Computers and Networking Equipment	4-5

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.

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h) *Intangibles assets*

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Intangible assets are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognized in the statement of profit and loss.

Gains or losses arising from derecognition of an intangible asset 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 or loss when the asset is derecognized.

The intangible assets are amortized over the estimated useful life of the assets as under:

Asset description	Asset life (in years)
Software	3

i) *Inventory*

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

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

j) *Impairment of non-financial assets*

Intangible assets and property, plant and equipment

Intangible assets and 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 assets exceeds the estimated recoverable amount of the asset.

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) *Borrowing costs*

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

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 the 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 short-term deposits
Cash and short-term deposits in the balance sheet comprise cash in banks, which are subject to an insignificant risk of changes in value.

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

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
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 finance 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 receivables, trade and other receivables.

Financial instruments at Fair Value through OCI
A 'financial instrument' is classified and measured at fair value through OCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The asset's contractual cash flows represent SPPI.

Financial instruments included within the OCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from OCI to statement of profit and loss.

Impairment of financial assets

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

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.

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(Amount in lakhs, except share and per share data)

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 parent 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 parent 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 of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

o) Recently issued accounting pronouncements

Ind AS 116 - Leases

Ind AS 116 Leases was notified in October 2018 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17.

The Company is currently evaluating the impact that the adoption of this new standard will have on its financial statements.

Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. The Company is currently evaluating the impact that the adoption of this new standard will have on its financial statements.

2. Notes to financial statements

2.1 Property, Plant and Equipment

The changes in the carrying value for the year ended 31 March 2019 **(USD)**

Particulars	Computers	Office Equipment	Total
Gross Block as at 1 April 2018	0	-	0
Additions	-	0	-
Gross Block as at 31 March 2019	0	0	0
Accumulated Depreciation as at 1 April 2018	0	-	0
Charge for the year	0	0	0
Accumulated Depreciation as at 31 March 2019	0	0	0
Net Block as at 31 March 2019	0	0	0
Net Block as at 31 March 2018	0	-	0

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HCL America Solutions Inc.
Notes to financial statements for the year ended 31 March, 2019
(Amount in lakhs, except share and per share data)

(₹)

Particulars	Computers	Office Equipment	Total
Gross Block as at 1 April 2018	8	-	8
Additions	-	2	2
Gross Block as at 31 March 2019	8	2	10
Accumulated Depreciation as at 1 April 2018	3	-	3
Charge for the year	1	0	2
Accumulated Depreciation as at 31 March 2019	4	0	4
Net Block as at 31 March 2019	4	1	5
Net Block as at 31 March 2018	5	-	5

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

Particulars	Computers	Office Equipment	Total
Gross Block as at 1 April 2017	0	-	0
Additions	-	-	-
Gross Block as at 31 March 2018	0	-	0
Accumulated Depreciation as at 1 April 2017	0	-	0
Charge for the year	0	-	0
Accumulated Depreciation as at 31 March 2018	0	-	0
Net Block as at 31 March 2018	0	-	0

2.2 Other Intangible assets

The changes in the carrying value for the year ended 31 March 2019 (USD)

Particulars	Software	Total
Gross Block as at 1 April 2018	1	1
Additions	-	-
Gross Block as at 31 March 2019	1	1
Accumulated Depreciation as at 1 April 2018	0	0
Charge for the year	0	0
Accumulated Depreciation as at 31 March 2019	1	1
Net Block as at 31 March 2019	0	0
Net Block as at 31 March 2018	1	1

(₹)

Intangible Assets	Software	Total
Gross Block as at 1 April 2018	81	81
Additions	-	-
Gross Block as at 31 March 2019	81	81
Accumulated Depreciation as at 1 April 2018	32	32
Charge for the year	27	27
Accumulated Depreciation as at 31 March 2019	59	59
Net Block as at 31 March 2019	22	22
Net Block as at 31 March 2018	49	49

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(Amount in lakhs, except share and per share data)

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

Particulars	Software	Total
Gross Block as at 1 April 2017	1	1
Additions	0	0
Gross Block as at 31 March 2018	**1**	**1**
Accumulated Depreciation as at 1 April 2017	0	0
Charge for the year	0	0
Accumulated Depreciation as at 31 March 2018	**0**	**0**
Net Block as at 31 March 2018	**1**	**1**

2.3 Trade receivables

	As at		
	31 March 2019 (USD)	31 March 2018 (USD)	31 March 2019 (₹)
Unsecured, considered good (refer note below)	361	423	24,957
Trade receivables which have significant increase in credit risk	8	0	525
	369	423	25,482
Impairment allowance for bad and doubtful debts			
-Unsecured, considered good	2	(2)	156
-Trade receivables which have significant increase in credit risk	(8)	(0)	(525)
	363	**421**	**25,113**

Note:
1. Trade receivables include receivables from related parties amounting to USD 212 (₹14,609), refer note 2.23(d).

2.4 Cash and cash equivalents

	As at		
	31 March 2019 (USD)	31 March 2018 (USD)	31 March 2019 (₹)
Balance with banks			
- in current accounts	26	28	1,797
	26	**28**	**1,797**

2.5 Unbilled receivables

	As at		
	31 March 2019 (USD)	31 March 2018 (USD)	31 March 2019 (₹)
Unbilled receivables –others (previous year: Unbilled revenue)	21	100	1,442
	21	**100**	**1,442**

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(Amount in lakhs, except share and per share data)

2.6 Other Financial assets

	As at		
	31 March 2019 (USD)	31 March 2018 (USD)	31 March 2019 (₹)
Current			
Carried at amortised cost			
Contract Assets	3	-	207
Carried at fair value through profit and loss			
Receivable Expenses-related parties (refer note 2.23(d))	-	0	-
	3	0	207

2.7 Other Current assets

	As at		
	31 March 2019 (USD)	31 March 2018 (USD)	31 March 2019 (₹)
Unsecured, considered good			
Others			
Deferred contract cost-Others (previous year: Deferred cost)	8	-	575
Deferred contract cost-related parties (previous year: Deferred cost) (refer note 2.23(d))	1	0	72
Prepaid Expenses	17	-	1,161
Prepaid Expenses - related parties (refer note 2.23(d))	1	0	43
Others	0	1	22
	27	1	1,873

2.8 Share Capital

	As at		
	31 March 2019 (USD)	31 March 2018 (USD)	31 March 2019 (₹)
Authorized			
10 (31 March 2019 :10, 31 March 2018:10) equity shares of USD 1000 each	0	0	7
Issued, subscribed and fully paid up			
10 (31 March 2019 :10, 31 March 2018:10) equity shares of USD 1000 each	0	0	7

Term/rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of USD 1000/-. 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.

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a) Reconciliation of the number of shares outstanding at the beginning and at the end of the period

	As at			
	31 March 2019		31 March 2018	
	No. of shares	USD	No. of shares	USD
Number of shares at the beginning	10	0	10	0
Add: Shares issued during the year	-	-	-	-
Number of shares at the end	10	0	10	0

b) Details of shareholders holding more than 5 % shares are as follows

	As at			
	31 March 2019		31 March 2018	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of USD 1000 each, fully paid				
HCL America Inc., USA, the holding company	10	100.00%	10	100.00%

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

2.9 Borrowings

	As at		
	31 March 2019 (USD)	31 March 2018 (USD)	31 March 2019 (₹)
Short term borrowings			
Unsecured			
Loan from related parties (refer note 2.23(d))	33	63	2,281
	33	**63**	**2,281**

Note:

1. The company has availed short term loan of USD 33 lakhs (₹2,281 lakhs) (31 March 2018: USD 63 lakhs) at an interest rate of 1%+ LIBOR.

2.10 Trade Payables

	As at		
	31 March 2019 (USD)	31 March 2018 (USD)	31 March 2019 (₹)
Trade payables others	8	-	561
Trade payables - related parties (refer note 2.23(d))	318	364	21,947
	326	**364**	**22,508**

2.11 Other financial liabilities

	As at		
	31 March 2019 (USD)	31 March 2018 (USD)	31 March 2019 (₹)
Current			
Carried at amortised cost			
Others			
Liabilities for expenses	1	14	100
Liabilities for expenses - related parties (refer note 2.23(d))	13	97	870
Interest payable - related parties (refer note 2.23(d))	1	1	48
	15	**112**	**1,018**

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(Amount in lakhs, except share and per share data)

2.12 Other liabilities

	As at		
	31 March 2019 (USD)	31 March 2018 (USD)	31 March 2019 (₹)
Non-Current			
Contract liabilities (previous year: Income received in advance)	2	-	166
	2	**-**	**166**
Current:			
Contract liabilities (previous year: Income received in advance)	53	9	3,701
Other Advances:			
Advance received from customers	-	1	-
Others			
Withholding and other taxes payable	1	0	37
	54	**10**	**3,738**

2.13 Provisions

	As at		
	31 March 2019 (USD)	31 March 2018 (USD)	31 March 2019 (₹)
Current			
Provision for income tax	6	7	407
	6	**7**	**407**

2.14 Revenue from operations

	Year ended		
	31 March 2019 (USD)	31 March 2018 (USD)	31 March 2019 (₹)
Sale of products	20	28	1,374
Sale of services	1,235	2,015	85,385
	1,255	**2,043**	**86,759**

2.15 Other Income

	Year ended		
	31 March 2019 (USD)	31 March 2018 (USD)	31 March 2019 (₹)
Provision for Bad debts	-	2	-
Other Income	-	0	-
Exchange differences (net)	1	-	57
Miscellaneous income	0	-	14
	1	**2**	**71**

2.16 Outsourcing cost

	Year ended		
	31 March 2019 (USD)	31 March 2018 (USD)	31 March 2019 (₹)
Outsourcing Cost	150	147	10,392
Outsourcing Cost-related parties (refer note 2.23(c))	1,076	1,863	74,360
	1,226	**2,010**	**84,752**

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(Amount in lakhs, except share and per share data)

2.17 Finance cost

	Year ended		
	31 March 2019 (USD)	31 March 2018 (USD)	31 March 2019 (₹)
Interest on loan taken-related parties(refer note 2.23(c))	1	2	64
Bank charges	0	0	0
	1	2	64

2.18 Other expenses

	Year ended		
	31 March 2019 (USD)	31 March 2018 (USD)	31 March 2019 (₹)
Insurance	1	0	39
Repairs and maintenance	0	-	5
Provision for doubtful debts/ bad debts	3	-	208
Exchange differences (net)	-	1	-
Miscellaneous expenses	1	0	61
	5	2	313

2.19 Income Taxes

	Year ended		
	31 March 2019 (USD)	31 March 2018 (USD)	31 March 2019 (₹)
Income tax charged to statement of profit and loss			
Current Income Tax Charge	(1)	7	(65)
Deferred tax charge (credit)	2	(4)	140
	1	3	75

The reconciliation between the Company's provision for income tax and amount computed by applying the statutory income tax rate in USA is as follows:

	Year ended		
	31 March 2019 (USD)	31 March 2018 (USD)	31 March 2019 (₹)
Profit before income tax	8	4	583
Statutory tax rate in USA	27.13%	36.38%	27.13%
Expected tax expense	2	2	158
Additional provision/ reversal created in books	(1)	0	(83)
Impact of rate change	-	1	-
Total taxes	1	3	75

Components of deferred tax assets and liabilities as on 31 March 2019 (USD)

	Opening balance	Recognized in profit and loss	Closing balance
Deferred tax assets			
Provision for doubtful debts	1	1	1
Others	2	(2)	0
Gross deferred tax assets (A)	3	(1)	1
Deferred tax liabilities			
Others	0	1	1
Gross deferred tax liabilities (B)	0	1	1
Net deferred tax assets (A-B)	3	(2)	1

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(Amount in lakhs, except share and per share data)

(₹)

	Opening balance	Recognized in profit and loss	Closing balance
Deferred tax assets			
Provision for doubtful debts	43	57	100
Others	143	(140)	3
Gross deferred tax assets (A)	**186**	**(83)**	**103**
Deferred tax liabilities			
Others	2	57	59
Gross deferred tax liabilities (B)	**2**	**57**	**59**
Net deferred tax assets (A-B)	**184**	**(140)**	**44**

Components of deferred tax assets and liabilities as on 31 March 2018 **(USD)**

	Opening balance	Recognized in profit and loss	Closing balance
Deferred tax assets			
Provision for doubtful debts	2	(1)	1
Others	0	2	2
Gross deferred tax assets (A)	**2**	**1**	**3**
Deferred tax liabilities			
Others	3	(3)	0
Gross deferred tax liabilities (B)	**3**	**(3)**	**0**
Net deferred tax assets (A-B)	**(1)**	**4**	**3**

2.20 Financial Instruments

(a) Financial assets and liabilities

The carrying value of financial instruments by categories as at 31 March, 2019 is as follows: **(USD)**

	Amortized cost	Total Carrying Value
Financial Assets		
Trade receivables	363	363
Cash and cash equivalents	26	26
Unbilled receivables (previous year: Unbilled revenue)	21	21
Others	3	3
Total	**413**	**413**
Financial Liabilities		
Borrowings	33	33
Trade payables	326	326
Others	15	15
Total	**374**	**374**

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(Amount in lakhs, except share and per share data)

The carrying value of financial instruments by categories as at 31 March, 2019 is as follows: (₹)

	Amortized cost	Total Carrying Value
Financial Assets		
Trade receivables	25,113	25,113
Cash and cash equivalents	1,797	1,797
Unbilled receivables (previous year: Unbilled revenue)	1,442	1,442
Others	207	207
Total	**28,559**	**28,559**
Financial Liabilities		
Borrowings	2,281	2,281
Trade payables	22,508	22,508
Others	1,018	1,018
Total	**25,807**	**25,807**

The carrying value of financial instruments by categories as at 31 March, 2018 is as follows: **(USD)**

	Amortized cost	Total Carrying Value
Financial Assets		
Trade receivables	416	416
Cash and cash equivalents	28	28
Unbilled receivables (previous year: Unbilled revenue)	100	100
Total	**544**	**544**
Financial Liabilities		
Borrowings	63	63
Trade payables	364	364
Others	112	112
Total	**539**	**539**

(b) Financial risk management

The Company is exposed to market risk and credit risk which may impact the fair value of its financial instruments. The Company has a risk management policy to manage and mitigate these risks.

The Company's risk management policy aims to reduce volatility in financial statements while maintaining balance between providing predictability in the Company's business plan along with reasonable participation in market movement.

Market risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk and interest rate risk. The Company is primarily exposed to fluctuation in foreign currency exchange rates.

(i) Foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in exchange rates. The Company's exposure to the risk of changes in exchange rates relates primarily to the Company's operations.

The exchange rate risk primarily arises from assets and liabilities denominated in currencies other than the functional currency of the company and foreign currency forecasted revenue and cash flows. A significant portion of the Company revenue is in SGD while a large portion of costs are in Pound Sterling (GBP), CAD, EUR and AUD. The fluctuation in exchange rates in respect to the Indian rupee may have potential impact on the statement of profit and loss and other comprehensive income 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 USD (0.13) (₹(9)) for the year ended 31 March, 2019.

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(Amount in lakhs, except share and per share data)

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

Non-derivative foreign currency exposure as of 31 March 2019, 31 March 2018 in major currencies is as below:

	Net Financial Assets		Net Financial Liabilities	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
SGD/USD	2	3	0	3
GBP/USD	-	-	3	14
CAD/USD	-	1	9	1
EUR/USD	0	0	2	2

Credit Risk

Financial instruments that potentially subject the Company to concentration of credit risk consist principally of cash and bank balances, trade receivables, unbilled receivables. The cash resources of the Company are invested with banks and corporations 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 the United States of America and accordingly, trade receivables and finance lease receivables are concentrated in the respective countries. 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.

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

	As at		
	31 March 2019 (USD)	31 March 2018 (USD)	31 March 2019 (₹)
Balance at the beginning of the year	2	5	149
Additional provision during the year	4	2	311
Deductions on account of write offs and collections	1	5	91
Balance at the end of the year	**5**	**2**	**369**

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.

2.21 Segment Reporting

In the opinion of the management there is no business segment of the Company and the Company operates a single geographical segment, hence there is no separable segment as envisaged in the Indian Accounting Standard-108 "Operating Segments". Accordingly, no disclosure for operating segments has been included in these financial statements.

2.22 Related parties transactions

a) <u>Related parties where control exists</u>

List of companies as at 31 March 2019, 31 March, 2018 is as below:

S. No.	Name	Country of Incorporation	Percentage holding as at	
			31 March 2019	31 March 2018
1	HCL America Inc.	USA	100%	100%

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(Amount in lakhs, except share and per share data)

2.23 Related party transactions

a) **Related parties where control exists**

Holding Company

HCL America Inc.

Ultimate Holding Company

HCL Technologies Limited

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

Holding Company

HCL America Inc.

Ultimate Holding Company

HCL Technologies Limited

Fellow Subsidiaries

HCL Technologies UK Limited
HCL Technologies Sweden AB
HCL Australia Services Pty. Limited, Australia
HCL Singapore Pte. Limited
HCL Great Britain Limited
HCL Japan Limited, Japan
HCL Mexico
HCL (Brazil) Technologia da Informacao Ltd.
Axon Solutions (Shanghai) Co. Limited
HCL Technologies Germany GmbH
HCL Technologies Denmark ApS
HCL Italy SLR
HCL (Ireland) Information Systems Limited
Axon Solutions (Canada) Inc.
Geometric Americas Inc.
HCL Technologies BV
HCL Istanbul Bilisim Teknolojileri Limited
HCL Technologies Corporate Services Limited

Non-Executive & Independent Directors

Mr. C. Vijayakumar
Ms. Robin Abrams
Mr. Raghu Raman Lakshmanan

c) **Transactions with related parties during the year**

(USD)

Transactions with related parties during the normal course of business	Ultimate Holding Company		Holding Company		Fellow Subsidiaries	
	Year ended		Year ended		Year ended	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Revenue from operations	0	-	1	2	0	0
Outsourcing cost	502	1000	531	782	43	81
Loan Taken	-	-	-	-	25	-
Loan Repaid	-	-	-	-	55	15
Interest Expense	-	-	0	0	1	2
Cost of Goods Sold	0	4	-	-	-	-
Insurance	1	0	-	-	-	-

S.R. BATLIBOI & CO LLP
GURUGRAM

(Amount in millions, except share and per share data)

Transactions with related parties during the year (₹)

Transactions with related parties during the normal course of business	Ultimate Holding Company	Holding Company	Fellow Subsidiaries
	Year ended	Year ended	Year ended
	31 March 2019	31 March 2019	31 March 2019
Revenue from operations	2	90	19
Outsourcing cost	34,728	36,685	2,947
Loan Taken	-	-	1,728
Loan Repaid	-	-	3,801
Interest Expense	-	26	38
Cost of Goods Sold	29	-	-
Insurance	39	-	-

d) **Outstanding balances with related parties:** (USD)

Outstanding balances	Ultimate Holding Company		Holding Company		Fellow Subsidiaries	
	Year ended		Year ended		Year ended	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Trade Receivable	-	-	207	-	5	-
Prepaid Expenses	1	0	-	-	-	-
Deferred contract cost	1	0	-	-	-	-
Trade payables	107	245	187	100	24	19
Liability for expenses	13	54	-	43	-	-
Interest Payable	-	-	0	0	0	1
Short term borrowings	-	-	8	8	25	55
Receivable Expense	-	-	-	(0)	-	-

Outstanding balances with related parties: (₹)

Outstanding balances	Ultimate Holding Company	Holding Company	Fellow Subsidiaries
	Year ended	Year ended	Year ended
	31 March 2019	31 March 2019	31 March 2019
Trade Receivable	-	14,280	329
Prepaid Expenses	43	-	-
Deferred contract cost	72	-	-
Trade payables	7,389	12,897	1,661
Liability for expenses	870	-	-
Interest Payable	-	18	30
Short term borrowings	-	553	1,728

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(Amount in millions, except share and per share data)

2.24 Earning per share

Particulars	Year Ended		
	31 March 2019 (USD)	31 March 2018 (USD)	31 March 2019 (₹)
Earnings as per statement of profit and loss for computation of EPS	7	1	487
Weighted average number of equity shares outstanding in calculating Basic and dilutive EPS	10	10	10
Nominal value of equity shares	1,000	1,000	1,000
Earnings per equity share -Basic and diluted	70,508	13,642	48,72,874

As per our report of even date

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

Per Nilangshu Katriar
Partner
Membership Number: 58814

Gurgaon, India
Date: 28 JUNE 2019

S.R. BATLIBOI & CO. LLP GURUGRAM

For and on behalf of Board of Directors
of HCL America Solutions Inc.

C. Vijayakumar
Director

Robin Abrams
Director

Date: 28 JUNE 2019