

INDEPENDENT AUDITOR'S REPORT

To the Members of HCL Technologies Chile Spa

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of HCL Technologies Chile Spa ("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 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.



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



per Nilangshu Katriar

Partner

Membership Number: 58814



Place: Gurugram, India

Date: 11th July, 2018

HCL Technologies Chile Spa

Financial Statements

For the year ended 31st December 2017 and 2016

HCL Technologies Chile Spa
Balance Sheet as at 31 December 2017

	Note No.	As at 31 December 2017 (CLP)	As at 31 December 2016 (CLP)	As at 31 December 2017 (₹)
I. ASSETS				
(1) Non-current assets				
(a) Property, plant and equipment	2.1	101,762,141	36,789,474	10,576,140
(b) Financial assets				
(i) Others	2.2	38,441,688	252,091,315	3,995,245
(c) Other non-current assets	2.3	44,522,584	2,459,272	4,627,232
(2) Current assets				
(a) Inventories	2.4	42,664,207	45,665,334	4,434,091
(b) Financial assets				
(i) Trade receivables	2.5	916,259,426	1,025,494,153	95,226,842
(ii) Cash and cash equivalents	2.6	369,947,286	1,022,014,719	38,448,621
(iii) Loans	2.7	584,164,500	632,899,500	60,712,216
(iv) Others	2.2	1,547,820,975	504,853,504	160,865,034
(c) Other current assets	2.8	48,228,940	14,922,832	5,012,434
(d) Current tax assets		26,454,320	-	2,749,398
TOTAL ASSETS		3,720,266,067	3,537,190,103	386,647,253
II. EQUITY				
(a) Equity share capital	2.9	602,000,000	602,000,000	62,565,860
(b) Other equity		1,217,141,758	894,968,738	126,497,544
III. LIABILITIES				
(1) Non-current liabilities				
(a) Deferred tax liabilities (net)	2.10	4,826,872	10,475,805	501,657
(2) Current liabilities				
(a) Financial liabilities				
(i) Trade payables	2.11	603,094,369	1,060,925,414	62,679,598
(ii) Others	2.12	548,271,145	241,430,445	56,981,820
(b) Other current liabilities	2.13	744,931,923	648,610,666	77,420,774
(c) Current tax liabilities (net)		-	78,779,035	-
TOTAL EQUITY AND LIABILITIES		3,720,266,067	3,537,190,103	386,647,253
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: 588

Gurgaon, India
Date: 11 July, 2018



For and on behalf of the Board of Directors
of HCL Technologies Chile Spa

Raghu Raman Lakshmanan
Director

Subramanian Gopalakrishnan
Director

Date: 11 July, 2018

HCL Technologies Chile Spa
Statement of Profit and Loss for the year ended 31 December 2017

	Note No.	Year ended 31 December 2017 (CLP)	Year ended 31 December 2016 (CLP)	Year ended 31 December 2017 (₹)
I Revenue				
Revenue from operations	2.14	5,086,354,879	3,136,084,968	528,624,864
Other income	2.15	39,237,517	72,911,207	4,077,956
Total income		<u>5,125,592,396</u>	<u>3,208,996,175</u>	<u>532,702,820</u>
II Expenses				
Cost of materials consumed				
Purchase of stock in trade		138,776,052	66,051,632	14,422,995
Changes in inventories of stock in trade	2.16	(15,833,552)	(45,665,334)	(1,645,581)
Finance costs	2.17	11,883,446	8,275,955	1,235,047
Depreciation and amortization expense	2.1	30,266,616	3,871,612	3,145,609
Outsourcing costs		4,392,423,307	2,734,154,140	456,504,554
Other expenses	2.18	109,945,152	29,958,140	11,426,600
Total expenses		<u>4,667,461,021</u>	<u>2,796,646,145</u>	<u>485,089,224</u>
III Profit before tax		<u>458,131,375</u>	<u>412,350,030</u>	<u>47,613,596</u>
IV Tax expense	2.10			
Current tax		141,607,288	107,534,088	14,717,245
Deferred tax charge (credit)		(5,648,933)	(120,678,842)	(587,094)
Total tax expense		<u>135,958,355</u>	<u>(13,144,754)</u>	<u>14,130,151</u>
V Profit for the period		<u>322,173,020</u>	<u>425,494,784</u>	<u>33,483,445</u>
VI Other comprehensive income				
Items that will not be reclassified to statement of profit and loss		-	-	-
Items that will be reclassified subsequently statement of profit and loss		-	-	-
VII Total Comprehensive Income for the period		<u>322,173,020</u>	<u>425,494,784</u>	<u>33,483,445</u>
Earnings per equity share of no par value	2.19			
Basic		293	387	30
Diluted		293	387	30

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

Gurgaon, India

Date: 11 July, 2018



For and on behalf of the Board of Directors
of HCL Technologies Chile Spa

L. D. R.
Raghu Raman Lakshmanan
Director

HL
Subramanian Gopalakrishnan
Director

Date: 11 July, 2018

HCL Technologies Chile Spa
Statement of Changes in Equity for the year ended 31 December 2017

	Equity share capital		(Amount in CLP)
	Shares	Share capital	Other equity
			Reserves and Surplus
Balance as at 1 April, 2016	1,100,000	602,000,000	469,473,954
Profit for the period	-	-	425,494,784
Other comprehensive income / (loss)	-	-	-
Total comprehensive income for the period	-	-	425,494,784
Balance as at 31 December, 2016	1,100,000	602,000,000	894,968,738
Balance as at 1 January, 2017	1,100,000	602,000,000	894,968,738
Profit for the period	-	-	322,173,020
Other comprehensive income / (loss)	-	-	-
Total comprehensive income for the period	-	-	322,173,020
Balance as at 31 December, 2017	1,100,000	602,000,000	1,217,141,758
Balance as at 31 December, 2017 (Amounts in ₹)	1,100,000	62,565,860	126,497,544
Summary of significant accounting policies (Note 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

Nilangshu Katriar
per Nilangshu Katriar
Partner
Membership Number: 58814



Gurgaon, India
Date: 11 July, 2018

For and on behalf of the Board of Directors
of HCL Technologies Chile Spa

L. R. R.
Raghu Raman Lakshmanan
Director

Subramanian Gopalakrishnan
Subramanian Gopalakrishnan
Director

Date: 11 July, 2018

HCL Technologies Chile Spa
Statement of cash flows for the year ended 31 December 2017

	Year ended 31 December 2017	Year ended 31 December 2016	Year ended 31 December 2017
	(CLP)	(CLP)	(₹)
A. Cash flows from operating activities			
Profit before tax	458,131,375	412,350,030	47,613,594
Adjustment for:			
Depreciation and amortization	30,266,616	3,871,612	3,145,609
Interest income	(18,110,120)	(6,714,204)	(1,882,185)
Provision for doubtful debts/bad debts written back, net	(13,538,099)	14,043,952	(1,407,015)
Other non cash benefits	48,735,000	(398,500)	5,065,029
Operating profit before working capital changes	505,484,772	423,152,890	52,535,032
Movement in Working Capital			
(Increase)/decrease in trade receivables	122,772,826	(836,077,400)	12,759,780
(Increase)/decrease in inventories	3,001,127	(45,665,334)	311,907
(Increase)/decrease in other financial assets and other assets	(888,277,287)	838,192,693	(92,318,658)
Increase/ (decrease) in trade payables	(457,831,045)	(162,643,796)	(47,582,381)
Increase/ (decrease) in other financial liabilities and other liabilities	414,594,640	387,281,641	43,088,820
Cash generated from operations	(300,254,967)	604,240,694	(31,205,500)
Direct taxes paid (net of refunds)	246,840,643	43,175,984	25,654,148
Net cash flow from operating activities (A)	(547,095,610)	561,064,710	(56,859,648)
B. Cash flows from investing activities			
Purchase of property, plant and equipment	(106,671,966)	(19,130,820)	(11,086,417)
Repayment of loan given to related party	-	377,074,000	-
Interest received	1,700,143	41,088	176,696
Net cash flow used in investing activities (B)	(104,971,823)	357,984,268	(10,909,721)
Net increase (decrease) in cash and cash equivalents (A+B+C)	(652,067,433)	919,048,978	(67,769,369)
Cash and cash equivalents at the beginning of the year	1,022,014,719	102,965,741	106,217,990
Cash and cash equivalents at the end of the year as per note 2.6	369,947,286	1,022,014,719	38,448,621
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



For and on behalf of the Board of Directors
of HCL Technologies Chile Spa

Raghu Raman Lakshmanan
Director

Subramanian Gopalakrishnan
Director

Gurgaon, India
Date: 11 July, 2018

Date: 11 July, 2018

ORGANIZATION AND NATURE OF OPERATIONS

HCL Technologies Chile Spa (hereinafter referred to as the 'Company') is primarily engaged in providing a range of infrastructure services. The Company was incorporated in Chile in June 2013, having its registered office at EL Golf 40 Piso, Las Condes, Santiago, CP 755-0107, Chile.

The financial statements for the year ended 31st December, 2017 were approved and authorized for issue by the Board of Directors on 11 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 Companies (India Accounting Standards) Rules, 2015, as amended.

For all periods up to and including the year ended 31 March, 2016, the Company prepared its financial statements in accordance with Indian GAAP ("Previous GAAP"),

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

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

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 and also current year and previous year are not comparable to each other.

The functional currency of the Company is CPL. The translation from CPL to ₹ is unaudited and is included solely for the convenience of readers in India and has been performed using rate of CPL 1 = 0.1039, 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, CPL 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, allowance for uncollectible accounts receivable, income taxes, and the useful life 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

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

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.



HCL Technologies Chile Spa
Notes to financial statements for the year ended 31 December 2017

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 nonrecurring 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.

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. Revenue from operating leases is accounted on a straight-line basis as service revenue over the rental period. Interest attributable to financing leases included therein is recognized on an accrual basis using the effective interest method.

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.

(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.

The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future.

(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 period 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.

Property, plant and equipment under construction and cost of assets not ready for use at the period-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 life, as determined by the management. Depreciation is charged on a pro-rata basis for assets purchased/sold during the period.

The management's estimates of the useful life of asset for computing depreciation are as follows:

<u>Asset description</u>	<u>Asset life (in years)</u>
Computers	4-5

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

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

(h) 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 are determined using the weighted average cost formula.

(i) 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 period 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

(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 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 at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(l) 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.



HCL Technologies Chile Spa
Notes to financial statements for the year ended 31 December 2017

Cash & Cash equivalent

Cash in the balance sheet comprise cash in banks, which is subject to an insignificant risk of changes in value.

Financial instruments at amortized cost

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

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

Derecognition of financial assets

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

Impairment of financial assets

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

ii. Financial liabilities

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

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

After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method 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.



HCL Technologies Chile Spa
Notes to financial statements for the year ended 31 December 2017

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.

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

(n) Recently issued accounting pronouncements

On 17 March 2017, the Ministry of Corporate Affairs (MCA), notified Companies (Indian Accounting Standards) (Amendments) Rules, 2017, making amendments to Ind AS 7, 'Statement of cash flows'.

The amendment requires entities to disclose changes arising from non-cash transactions in addition to changes from financing cash flows arising from financial activities. The amendment also suggests providing of reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The amendment is effective for annual reporting period beginning on or after 1 April, 2017. The Company is currently evaluating the impact that the adoption of this amendment will have on its financial statements and the implementation approach to be used.



HCL Technologies Chile Spa
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 year ended 31 December 2017

	Computers (CLP)	Computers (₹)
Gross block as at 1 January 2017	45,083,497	4,685,528
Additions	95,239,283	9,898,219
Gross block as at 31 December 2017	140,322,780	14,583,747
Accumulated depreciation as at 1 January 2017	8,294,023	861,998
Charge for the period	30,266,616	3,145,609
Accumulated depreciation as at 31 December 2017	38,560,639	4,007,607
Net block as at 31 December 2017	101,762,141	10,576,140

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

	Computers (CLP)
Gross block as at 1 April 2016	14,519,994
Additions	30,563,503
Gross block as at 31 December 2016	45,083,497
Accumulated depreciation as at 1 April 2016	4,422,411
Charge for the period	3,871,612
Accumulated depreciation as at 31 December 2016	8,294,023
Net block as at 31 December 2016	36,789,474



HCL Technologies Chile Spa

Notes to financial statements for the year ended 31 December 2017

2.2 Other financial assets

	As at		
	31 December 2017	31 December 2016	31 December 2017
	(CLP)	(CLP)	(₹)
Non - Current			
Carried at amortized cost			
Finance lease receivables (refer note 2.20)	38,441,688	252,091,315	3,995,245
	38,441,688	252,091,315	3,995,245
Current			
Carried at amortized cost			
Finance lease receivables (refer note 2.20)	286,581,756	188,744,863	29,784,442
Unbilled revenue	1,235,691,652	244,097,146	128,425,433
Unbilled revenue-related parties (refer note 2.22)	-	62,873,905	-
Interest receivable-related party (refer note 2.22)	25,547,567	9,137,590	2,655,159
	1,547,820,975	504,853,504	160,865,034

2.3 Other non-current assets

	As at		
	31 December 2017	31 December 2016	31 December 2017
	(CLP)	(CLP)	(₹)
Unsecured considered good unless otherwise stated			
Others			
Prepaid expenses	44,522,584	-	4,627,232
Deferred cost	-	2,459,272	-
	44,522,584	2,459,272	4,627,232

2.4 Inventories

	As at		
	31 December 2017	31 December 2016	31 December 2017
	(CLP)	(CLP)	(₹)
Stock in trade	42,664,207	45,665,334	4,434,091
	42,664,207	45,665,334	4,434,091

2.5 Trade Receivable

	As at		
	31 December 2017	31 December 2016	31 December 2017
	(CLP)	(CLP)	(₹)
Unsecured considered good (refer note below)	916,259,426	1,025,494,153	95,226,842
Unsecured considered doubtful	2,275,577	15,813,676	236,501
	918,535,003	1,041,307,829	95,463,343
Provision for doubtful receivables	(2,275,577)	(15,813,676)	(236,501)
	916,259,426	1,025,494,153	95,226,842

Note:-

1. Includes receivables from related parties amounting to CLP 718,140,890 (₹ 74,636,383) and previous period ended on 31 December 2016, CLP 273,948,247.



HCL Technologies Chile Spa
Notes to financial statements for the year ended 31 December 2017

2.6 Cash and cash equivalent

	As at		
	31 December 2017 (CLP)	31 December 2016 (CLP)	31 December 2017 (₹)
Balance with banks			
- in current accounts	369,947,286	1,022,014,719	38,448,621
	369,947,286	1,022,014,719	38,448,621

2.7 Financial Assets - Loans

	As at		
	31 December 2017 (CLP)	31 December 2016 (CLP)	31 December 2017 (₹)
Current			
Carried at amortized cost			
Unsecured, considered good			
Loan to related party (refer note 2.22)	584,164,500	632,899,500	60,712,216
	584,164,500	632,899,500	60,712,216

2.8 Other current assets

	As at		
	31 December 2017 (CLP)	31 December 2016 (CLP)	31 December 2017 (₹)
Unsecured, considered good			
Others			
Deferred cost	-	2,682,843	-
Prepaid expenses	31,246,888	7,045,572	3,247,489
Cenvat credit available	11,787,635	-	1,225,089
Other advances	5,194,417	5,194,417	539,856
	48,228,940	14,922,832	5,012,434



2.9 Share Capital

	As at		
	31 December 2017 (CLP)	31 December 2016 (CLP)	31 December 2017 (₹)
Authorized 1,100,000 (31 December 2016, 1,100,000) equity shares with no nominal value	602,000,000	602,000,000	62,565,860
Issued, subscribed and fully paid up 1,100,000 (31 December 2016, 1,100,000) equity shares with no nominal value	602,000,000	602,000,000	62,565,860

Terms/ rights attached to equity shares

The Company has only one class of shares referred to as equity shares having no par value. 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 reporting period

	As at					
	31 December 2017		31 December 2016		31 December 2017	
	No. of shares	CLP	No. of shares	CLP	No. of shares	(₹)
Number of shares at the beginning	1,100,000	602,000,000	1,100,000	602,000,000	1,100,000	62,565,860
Add: Shares issued during the year	-	-	-	-	-	-
Number of shares at the end	1,100,000	602,000,000	1,100,000	602,000,000	1,100,000	62,565,860

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 with no nominal value each fully paid up				
Axon Solutions Limited	1,100,000	100.00%	1,100,000	100.00%

As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

There are no bonus shares issued, shares issued for consideration other than cash and shares bought back during the year ended 31 December 2017.

Capital management

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



HCL Technologies Chile Spa
Notes to financial statements for the year ended 31 December 2017

2.10 Income taxes

	Year ended		
	31 December 2017	31 December 2016	31 December 2017
	(CLP)	(CLP)	(₹)
Income tax charged to statement of profit and loss			
Current income tax charge	141,607,288	107,534,088	14,717,245
Deferred tax charge (credit)	(5,648,933)	(120,678,842)	(587,094)
	135,958,355	(13,144,754)	14,130,151

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

	Year ended		
	31 December 2017	31 December 2016	31 December 2017
	(CLP)	(CLP)	(₹)
Profit before income tax	458,131,375	412,350,030	47,613,594
Statutory tax rate in Chile	25%	24%	25%
Expected tax expense	114,532,844	98,964,007	11,903,398
Permanent difference	10,436,718	265,203	1,084,688
Impact of rate change	436,492	(1,352,110)	45,364
Reversal of prior year provision	-	-	-
Withholding tax	10,552,301	-	1,096,701
Others	-	(111,021,854)	-
Total taxes	135,958,355	(13,144,754)	14,130,151
Effective tax rate	30%	-3%	30%

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

(Amount in CLP)

	Opening balance	Recognized in profit and loss	Closing balance
Deferred tax assets			
Depreciation and amortization	95,324,877	(19,424,601)	75,900,276
Provision for DD	-	568,894	568,894
Gross deferred tax assets (A)	95,324,877	(18,855,707)	76,469,170
Deferred tax liabilities			
Finance lease receivables	105,800,682	(24,504,640)	81,296,042
Gross deferred tax liabilities (B)	105,800,682	(24,504,640)	81,296,042
Net deferred tax liabilities (B-A)	10,475,805	(5,648,933)	4,826,872

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

(Amount in CLP)

	Opening balance	Recognized in profit and loss	Closing balance
Deferred tax assets			
Depreciation and amortization	-	95,324,877	95,324,877
Gross deferred tax assets (A)	-	95,324,877	95,324,877
Deferred tax liabilities			
Finance lease receivables	131,154,647	(25,353,965)	105,800,682
Gross deferred tax liabilities (B)	131,154,647	(25,353,965)	105,800,682
Net deferred tax liabilities (B-A)	131,154,647	(120,678,842)	10,475,805

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

(Amount in ₹)

	Opening balance	Recognized in profit and loss	Closing balance
Deferred tax assets			
Depreciation and amortization	9,907,115	(2,018,799)	7,888,316
Provision for DD	-	59,125	59,125
Gross deferred tax assets (A)	9,907,115	(1,959,674)	7,947,441
Deferred tax liabilities			
Finance lease receivables	10,995,865	(2,546,767)	8,449,098
Gross deferred tax liabilities (B)	10,995,865	(2,546,767)	8,449,098
Net deferred tax liabilities (B-A)	1,088,750	(587,094)	501,657



HCL Technologies Chile Spa

Notes to financial statements for the year ended 31 December 2017

2.11 Trade payables

	As at		
	31 December 2017	31 December 2016	31 December 2017
	(CLP)	(CLP)	(₹)
Trade payables	178,561,645	332,502,652	18,557,912
Trade payables-related parties (refer note 2.22)	424,532,724	728,422,762	44,121,686
	603,094,369	1,060,925,414	62,679,598

2.12 Other financial liabilities

	As at		
	31 December 2017	31 December 2016	31 December 2017
	(CLP)	(CLP)	(₹)
Current			
Carried at amortized cost			
Capital accounts payables	-	11,432,683	-
Liabilities for expenses	548,271,145	226,401,560	56,981,820
Liabilities for expenses-related parties (refer note 2.22)	-	3,596,202	-
	548,271,145	241,430,445	56,981,820

2.13 Other current liabilities

	As at		
	31 December 2017	31 December 2016	31 December 2017
	(CLP)	(CLP)	(₹)
Revenue received in advance	-	6,082,192	-
Others			
Withholding and other taxes payable	744,931,923	642,528,474	77,420,774
	744,931,923	648,610,666	77,420,774



HCL Technologies Chile Spa
Notes to financial statements for the year ended 31 December 2017

2.14 Revenue from operations

	Year ended		
	31 December 2017 (Twelve Months)	31 December 2016 (Nine Months)	31 December 2017 (Twelve Months)
	(CLP)	(CLP)	(₹)
Sale of services	4,935,263,377	3,101,807,496	512,921,924
Sale of hardware and software	151,091,502	34,277,472	15,702,940
	5,086,354,879	3,136,084,968	528,624,864

2.15 Other income

	Year ended		
	31 December 2017 (Twelve Months)	31 December 2016 (Nine Months)	31 December 2017 (Twelve Months)
	(CLP)	(CLP)	(₹)
Exchange differences (net)	-	66,197,003	-
Interest income	-	-	-
-others	18,110,120	6,714,204	1,882,185
Miscellaneous income	7,589,298	-	788,756
Provision for doubtful/bad debts written back	13,538,099	-	1,407,015
	39,237,517	72,911,207	4,077,956

2.16 Changes in inventories of stock in trade

	Year ended		
	31 December 2017 (Twelve Months)	31 December 2016 (Nine Months)	31 December 2017 (Twelve Months)
	(CLP)	(CLP)	(₹)
Opening stock	45,665,334	-	4,745,998
Closing stock	61,498,886	45,665,334	6,391,579
	(15,833,552)	(45,665,334)	(1,645,581)

2.17 Finance cost

	Year ended		
	31 December 2017 (Twelve Months)	31 December 2016 (Nine Months)	31 December 2017 (Twelve Months)
	(CLP)	(CLP)	(₹)
Bank charges	11,883,446	8,275,955	1,235,047
	11,883,446	8,275,955	1,235,047

2.18 Other expenses

	Year ended		
	31 December 2017 (Twelve Months)	31 December 2016 (Nine Months)	31 December 2017 (Twelve Months)
	(CLP)	(CLP)	(₹)
Insurance	3,559,519	8,272,849	369,941
Repairs and maintenance	-	-	-
-Others	-	215,409	-
Legal and professional charges	41,966,132	4,819,833	4,361,540
Rates and taxes	41,746,873	2,606,097	4,338,753
Provision for doubtful debts / bad debts written off	-	14,043,952	-
Exchange differences net	22,672,628	-	2,356,366
	109,945,152	29,958,140	11,426,600

2.19 Earnings Per Share

The computation of earnings per share is as follows:

	Year ended		
	31 December 2017 (Twelve Months)	31 December 2016 (Nine Months)	31 December 2017 (Twelve Months)
	(CLP)	(CLP)	(₹)
Net profit as per statement of profit and loss for computation of EPS	322,173,020	425,494,784	33,483,445
Weighted average number of equity shares outstanding in calculating Basic EPS	1,100,000	1,100,000	1,100,000
Dilutive effect of stock options outstanding	-	-	-
Weighted average number of equity shares outstanding in calculating dilutive EPS	1,100,000	1,100,000	1,100,000
Nominal value of equity shares *	-	-	-
Earnings per equity share	-	-	-
- Basic	293	387	30
- Diluted	293	387	30

* As per local laws there is no nominal value of shares.



HCL Technologies Chile Spa

Notes to financial statements for the year ended 31 December 2017

2.20 Leases

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(CLP)			
Not later than one year	293,176,202	6,594,446	286,581,756
Later than one year and not later than 5 years	42,252,141	3,810,453	38,441,688
	335,428,343	10,404,899	325,023,444
As on 31 December 2016(CLP)			
Not later than one year	200,982,420	12,237,557	188,744,863
Later than one year and not later than 5 years	257,680,896	5,589,581	252,091,315
	458,663,316	17,827,138	440,836,178
As on 31 December 2017(₹)			
Not later than one year	30,469,803	685,361	29,784,442
Later than one year and not later than 5 years	4,391,265	396,020	3,995,245
	34,861,068	1,081,381	33,779,687



2.21 Financial instruments

Financial assets and liabilities

The carrying value of financial instruments by categories as at 31 December, 2017 is as follows:

	Amortized cost (CLP)	Total carrying value (CLP)	Amortized cost (₹)	Total carrying value (₹)
Financial assets				
Trade receivables	916,259,426	916,259,426	95,226,842	95,226,842
Cash and cash equivalents	369,947,286	369,947,286	38,448,621	38,448,621
Loans	584,164,500	584,164,500	60,712,216	60,712,216
Others (refer note 2.2)	1,586,262,663	1,586,262,663	164,860,279	164,860,279
Total	3,456,633,875	3,456,633,875	359,247,958	359,247,958
Financial liabilities				
Trade payables	603,094,369	603,094,369	62,679,598	62,679,598
Others (refer note 2.12)	548,271,145	548,271,145	56,981,820	56,981,820
Total	1,151,365,514	1,151,365,514	119,661,418	119,661,418

The carrying value of financial instruments by categories as at 31 December, 2016 is as follows:

	Amortized cost (CLP)	Total carrying value (CLP)
Financial assets		
Trade receivables	1,025,494,153	1,025,494,153
Cash and cash equivalents	1,022,014,719	1,022,014,719
Loans	632,899,500	632,899,500
Others (refer note 2.2)	756,944,819	756,944,819
Total	3,437,353,191	3,437,353,191
Financial liabilities		
Trade payables	1,060,925,414	1,060,925,414
Others (refer note 2.12)	241,430,445	241,430,445
Total	1,302,355,859	1,302,355,859



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 and Euro while a large portion of costs are in CLP. The fluctuation in exchange rates in respect to CLP 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 CLP 3,238,998 (₹ 336,629) for the year 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, 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
	(CLP)	(CLP)	(₹)	(CLP)	(CLP)	(₹)
BRL / CLP	-	-	-	280,539,212	-	29,156,440
USD / CLP	709,199,641	1,186,132,552	73,707,119	21,486,468	-	2,233,089
EUR / CLP	-	37,864,595	-	68,641,471	56,285,211	7,133,908

(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 Chile and accordingly, trade receivables and finance lease receivables are concentrated in Chile. 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 December 2017	31 December 2016	31 December 2017
	(CLP)	(CLP)	(₹)
Balance at the beginning of the year	15,813,676	3,272,460	1,643,515
Additional provision during the year	2,275,876	15,813,977	236,532
Deductions on account of write offs and collections	15,813,975	3,272,761	1,643,546
Balance at the end of the year	2,275,577	15,813,676	236,501

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with financial liabilities. The investment philosophy of the Company is capital preservation and liquidity in preference to returns. The Company consistently generates sufficient cash flows from operations and has access to multiple sources of funding to meet the financial obligations and maintain adequate liquidity for use.



HCL Technologies Chile Spa
Notes to financial statements for the year ended 31 December 2017

2.22 Related party transactions

a) Related parties where control exists

HCL Technologies Limited (Ultimate holding company)
Axon Solutions Limited (Holding Company)
HCL Bermuda Limited (Intermediate Holding Company)

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

Ultimate holding Company
HCL Technologies Limited

Fellow Subsidiaries
HCL America Inc.
Hcl (Brazil) Tecnologia Da Inf
HCL Technologies Mexico, S. DE
HCL Axon (Pty) Ltd
HCL Axon Technologies Inc.- SD
HCL Great Britain Limited
FILIAL ESPAÑOLA DE HCL TEC.S.L
HCL Poland SP.Z O.O.
HCL Sweden AB
HCL (Netherlands) B.V.
HCL Technologies Romania S.R.L
HCL Technologies UK Limited
HCL Technologies B.V.
HCL (Ireland) Infor. Syst LTD.
HCL GMBH
HCL Italy S.R.L.
HCL Technologies Italy S.p.A.
HCL Technologies Norway AS
HCL Technologies France
HCL Singapore PTE Ltd
HCL Japan Ltd
HCL (Newzealand) Limited
HCL Hong Kong SAR Limited
Axon Solutions Sdn Bhd
HCL Axon Malaysia SDN. BHD.-SD
PT. HCL Technologies Indonesia
HCL Axon Solutions (Shanghai)
HCL Technologies Beijing Co Lt
HCL Technologies (Shanghai) Li



HCL Technologies Chile Spa

Notes to financial statements for the year ended 31 December 2017

Transactions with related parties during the normal course of business	Period ended		
	31 December 2017 (Twelve months) (CLP)	31 December 2016 (Nine months) (CLP)	31 December 2017 (Twelve months) (₹)
Sale of materials and services			
-Axon Solutions Sdn Bhd	15,079,331	16,264,851	1,567,195
-FILIAL ESPAÑOLA DE HCL TEC.S.L	33,323,466	-	3,463,308
-HCL Japan Limited	10,362,600	39,002,598	1,076,985
-HCL (Ireland) Information system Ltd.	11,945,611	-	1,241,507
-HCL America Inc.	540,590,015	-	56,183,520
-HCL Axon Technologies Inc.- SD	107,083,409	-	11,129,179
-HCL Sweden AB	12,326,051	-	1,281,046
-HCL Singapore PTE Ltd.	2,861,645	43,367,606	297,411
-HCL Technologies Limited	2,721,080	35,999,660	282,802
-HCL Technologies Italy S.P.A.	7,107,552	21,902,986	738,688
-Others	42,699,549	34,411,294	4,437,764
Total	786,100,309	190,948,995	81,699,405
Outsourcing costs			
-HCL (Brazil) Tecnologia Da Inf	266,520,284	-	27,699,453
-HCL America Inc.	544,414,881	17,773,358	56,581,039
-HCL Axon Malaysia Sdn. Bhd.-SD	18,375,167	7,161,758	1,909,731
-HCL Axon Technologies Inc.- SD	21,409,000	23,073,993	2,225,037
-HCL Gmbh	147,560,000	46,616,000	15,335,911
-HCL Great Britain Limited	792,680,261	-	82,383,260
-HCL Technologies B.V.	10,429,000	-	1,083,886
- HCL (Netherlands) B.V.	22,354,000	17,656,000	2,323,251
-HCL Technologies UK Limited	146,596,395	186,326,761	15,235,763
-HCL Technologies Limited	496,902,512	1,150,295,785	51,643,078
-Others	47,449,955	75,835,763	4,931,474
Total	2,514,691,455	1,524,739,418	261,351,883
Repayment of loan provided			
-HCL Technologies UK Limited	-	376,675,500	-
Total	-	376,675,500	-
Interest received			
-HCL Technologies UK Limited	18,110,120	6,714,204	1,882,185
Total	18,110,120	6,714,204	1,882,185



HCL Technologies Chile Spa
Notes to financial statements for the year ended 31 December 2017

c) Outstanding balances

	As at		
	31 December 2017	31 December 2016	31 December 2017
	(CLP)	(CLP)	(₹)
Trade receivables			
-Axon Solutions Sdn Bhd	13,221,140	-	1,374,073
-HCL Japan LTD	46,361,891	39,002,598	4,818,391
-HCL America Inc.	524,063,663	-	54,465,936
-HCL Axon Technologies Inc.- SD	107,083,409	-	11,129,179
-HCL Singapore PTE Ltd.	2,861,645	43,547,616	297,411
-HCL Technologies UK Ltd.	-	18,832,555	-
-HCL Technologies Italy S.P.A.	-	21,902,986	-
-HCL Great Britain Limited	-	63,560,618	-
-HCL Technologies Limited	-	12,624,620	-
-Others	24,549,142	74,477,254	2,551,392
Total	718,140,890	273,948,247	74,636,383
Unbilled Revenue			
-HCL Technologies Limited	-	35,999,660	-
-HCL Hongkong SAR Ltd.	-	10,609,394	-
-Axon Solutions Sdn Bhd	-	16,264,851	-
Total	-	62,873,905	-
Loan outstanding			
-HCL Technologies UK Limited	584,164,500	632,899,500	60,712,216
Total	584,164,500	632,899,500	60,712,216
Interest Receivables			
-HCL Technologies UK Limited	25,547,567	9,137,590	2,655,159
Total	25,547,567	9,137,590	2,655,159
Trade payables			
-HCL (Brazil) Tecnologia Da Inf	280,539,211	-	29,156,440
-HCL GMBH	53,715,680	25,819,895	5,582,670
-HCL Technologies Limited	66,623,012	595,411,971	6,924,130
-Others	23,654,821	107,190,896	2,458,446
Total	424,532,724	728,422,762	44,121,686
Other current liabilities			
-HCLT (Shanghai) Ltd.	-	3,596,202	-
Total	-	3,596,202	-

2.24 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.



HCL Technologies Chile Spa

Notes to financial statements for the year ended 31 December 2017

3. Financial year

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 and also current year and previous year are not comparable to each other.

As per our report of even date

FOR S. R. BATLIBOI & CO. LLP

ICAI Firm Registration Number : 301003E/E300005

Chartered Accountants



per Nilangshu Katriar
Partner

Membership Number: 58814



For and on behalf of the Board of Directors
of HCL Technologies Chile Spa



Raghu Raman Lakshmanan
Director



Subramanian Gopalakrishnan
Director



Gurgaon, India

Date: 11 July, 2018

Date: 11 July, 2018