

Financial Statements

HCL (Ireland) Information Systems Limited

For the year ended 31 March 2019

Registered number : 534637

HCL (Ireland) Information Systems Limited

Company Information

Directors	Shiv Kumar Walia (United Kingdom) Bejoy Joseph George (Germany) Subramania Gopalakrishnan (India)
Company secretary	TMF Administration Services Limited
Registered number	534637
Registered office	Telephone House 43-46 Marlborough Street Dublin 1
Independent auditors	Ernst & Young Chartered Accountants & Statutory Audit Firm The Atrium Maritana Gate, Canada Street Waterford
Bankers	Citibank Europe plc 1 North Wall Quay Dublin 1

HCL (Ireland) Information Systems Limited

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HCL (Ireland) Information Systems Limited

Directors' Report

For the Financial year ended 31 March 2019

The directors present their annual report and the audited financial statements for the financial year ended 31 March 2019.

Principal activities

The principal activity of the company is to provide IT and IT enabled services to its customers.

Business review

This is the fifth year of trading and the directors are satisfied with the performance of the company. The company is well poised for future growth and plans to expand its operations in the coming years.

Results and dividends

The profit for the financial year, after taxation, amounted to € 4,718,387 (2018 - €1,673,877).

The directors have not recommended a dividend.

Director's and Secretary's interests

In accordance with Section 329 of the Companies Act 2014, The Directors who hold office at 31 March 2019, had no beneficial interest in the shares of the company or any group companies at the beginning or end of the year.

The secretary, TMF Administration Services Limited, did not hold any shares in the company or any group companies at the beginning or end of the year.

Principal risks and uncertainties

The directors consider that the principal risks and uncertainties faced by the company are in the following categories:

Economic risk

The risk of increased interest rates and/or inflation having an adverse impact on served markets.

Directors' Report (continued)

For the Financial year ended 31 March 2019

Financial risk

The company has budgetary and financial reporting procedures, supported by appropriate key performance indicators, to manage costs, debt collections and other financial risk.

Accounting records

The measures taken by the directors to ensure compliance with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The company's accounting records are maintained at the company's registered office at HCL Technologies Ltd., Noida, India and are made available to Telephone House, 43-46 Marlborough Street, Dublin 1.

Future developments

The company plans to continue its present activities.

Research and development activities

The company did not engage in any research or development during the year ended 31 March 2019.

Directors' compliance policy statement

The Directors acknowledge that they are responsible for securing the Company's compliance with its relevant obligations as defined in section 225 of the Companies Acts and hereby confirm that they have completed the following:

- Ensured compliance with appropriate group policies relevant to the company. A company compliance statement has not been developed as the company follows group policies appropriate to the company.
- Put in place appropriate arrangements and structures that are, in the directors' opinion, designed to secure material compliance with the Companies' relevant obligations; and
- Have conducted a review of the aforementioned arrangements and structures.

Audit committee statement:

The directors of the Company have decided not to establish an Audit Committee pursuant to section 167 Companies Act 2014 as the Company is a subsidiary company and its ultimate parent undertaking has established such a committee that in all material respects ensures compliance by the Company of obligations under that section. Further the Board believed that they have policies and procedures in place to ensure the Board complies with its responsibilities relating to financial reporting, risk assessment and internal control.

Directors' Report (continued)

For the Financial year ended 31 March 2019

Employee involvement

The company are regularly updating to employees on matters of concern to them via various ways like HCL Times - in house magazine published monthly ; regular team meetings within each line of business; regular email updates from HR/Management/Facilities; fortnightly meetings with the Trade Union representing employees (Communications Workers Union) where issues of concern to staff can be raised and discussed; Employee opinion surveys and suggestion boxes and Group performances being communicated via HCL Portal and mailers to all staff.

Disabled employees

As per the Employment Equality Acts 1998-2015, outlaw discrimination on the grounds of disability in employment, as employees with disabilities have the same employment rights as other employees. As a responsible employer, The Company has fully adhered to this legislation in recruitment, training, workstation accommodation promotion and career development.

Disclosure of information to auditors

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

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

Political donations

No political contributions that requires disclosure under section 26(1) Electoral Act 1997 (as amended) were made during the financial year ended 31 March 2019.

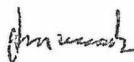
Post balance sheet events

There have been no significant events affecting the Company since the financial year end.

Auditors

The KPMG LLP, Chartered Accountants and Statutory Audit Firm will be proposed for appointment in accordance with section 383(1) of the Companies Act 2014.

This report was approved by the board and signed on its behalf.



Shiv Kumar Walia
Director

Date: 27/2/2019



Bejoy Joseph George
Director

Directors' Responsibilities Statement

For the Financial year ended 31 March 2019

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable Irish law and regulations.

Irish company law requires the directors to prepare the financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with Irish Generally Accepted Accounting Practice in Ireland, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

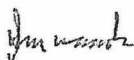
Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company as at the financial year end date, of the profit or loss of the Company for that financial year and otherwise comply with the Companies Act 2014.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the will continue in business.

The directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' Report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board



Shiv Kumar Walia
Director

Date: 8/07/2019



Bejoy Joseph George
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HCL (IRELAND) INFORMATION SYSTEMS LIMITED

Opinion

We have audited the financial statements of HCL (Ireland) Information Systems Limited ('the Company') for the year ended 31 March 2019, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is Irish Law and Accounting Standards including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (Irish Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with Irish Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HCL (IRELAND) INFORMATION STYSTEMS LIMITED

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- in our opinion, the information given in the directors' report is consistent with the financial statements; and
- in our opinion, the directors' report has been prepared in accordance with the Companies Act 2014

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HCL (IRELAND) INFORMATION SYSTEMS LIMITED

Respective responsibilities

Responsibilities of directors for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf.

This description forms part of our auditor's report.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Ronan Clinton
for and on behalf of
Ernst & Young Chartered Accountants and Statutory Audit Firm

Waterford

Date: 9 July 2019

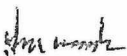
Statement of Comprehensive Income

For the Year ended 31 March 2019

	Notes	Year ended 31 March 2019 €	Year ended 31 March 2018 €
Turnover	3	72,939,168	57,634,584
Cost of sales		(61,519,860)	(52,052,325)
Gross profit		11,419,308	5,582,259
Distribution costs		(580,366)	(873,957)
Administrative expenses		(5,456,876)	(2,579,382)
Other operating charges		12,554	13,143
Operating profit	4	5,394,620	2,142,063
Interest payable and expenses	6	(74,021)	(117,202)
Profit before tax		5,320,599	2,024,861
Tax on profit	7	(602,212)	(350,984)
Profit for the financial year		4,718,387	1,673,877
Other comprehensive income for the financial year			
Other comprehensive income		-	-
Total comprehensive income for the financial year		4,718,387	1,673,877

All amounts relate to continuing operations

Signed on behalf of the board :


Shiv Kumar Walia
Director

Date : 8/07/2019


Bejoy Joseph George
Director

HCL (Ireland) Information Systems Limited

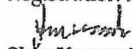
Statement of Financial Position


As at 31 March 2019

	Notes	2019 €	2018 €
Fixed assets			
Tangible fixed assets	8	<u>112,185</u>	<u>129,414</u>
		112,185	129,414
Current assets			
Stocks	9	172,783	125,600
Debtors: amounts falling due after more than one year	10	942,987	1,270,306
Debtors: amounts falling due within one year	10	29,309,138	23,819,719
Cash at bank and in hand	11	<u>2,255,970</u>	<u>4,433,714</u>
		32,680,878	29,649,339
Creditors: amounts falling due within one year	12	(25,089,218)	(26,793,295)
Net current assets		<u>7,591,660</u>	<u>2,856,044</u>
Total assets less current liabilities		<u>7,703,845</u>	<u>2,985,458</u>
Creditors: amounts falling due after one year		-	-
Net assets		<u><u>7,703,845</u></u>	<u><u>2,985,458</u></u>
Capital and reserves			
Called up share capital	13	100,000	100,000
Retained Earnings	14	<u>7,603,845</u>	<u>2,885,458</u>
Shareholders' funds		<u><u>7,703,845</u></u>	<u><u>2,985,458</u></u>

The financial statements were approved and authorised for issue by the board:

Registration Number : 534637


Shiv Kumar Walia
Director


Bejoy Joseph George
Director

Date : 8/07/2019

The notes on pages 11 to 23 form part of these financial statements

HCL (Ireland) Information Systems Limited

Statement of Changes in Equity

As at 31 March 2019

	Called up share capital	Retained earnings	Shareholder's Fund
	€	€	€
At 1 April 2018	100,000	2,885,458	2,985,458
Total comprehensive income for the year	-	4,718,387	4,718,387
At 31 March 2019	<u>100,000</u>	<u>7,603,845</u>	<u>7,703,845</u>

	Called up share capital	Retained earnings	Shareholder's Fund
	€	€	€
At 1 April 2017	100,000	1,211,581	1,311,581
Total comprehensive income for the year	-	1,673,877	1,673,877
At 31 March 2018	<u>100,000</u>	<u>2,885,458</u>	<u>2,985,458</u>

The notes on pages 11 to 23 form part of these financial statements

HCL (Ireland) Information Systems Limited

Notes to the Financial Statements

For the Financial year ended 31 March 2019

1. Accounting policies

1.1 Company information

HCL (Ireland) Information Systems Limited is a limited liability company, which is registered and incorporated in the Republic of Ireland. The company's registered office is at Telephone House, 43-46 Marlborough Street, Dublin 1.

1.2 Financial reporting standard 102 - reduced disclosure exemptions

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

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

This information is included in the consolidated financial statements of HCL Technologies Limited as at 31 March 2019 and these financial statements may be obtained from the Companies Registry in India, and the consolidated financial statements are available at www.hcltech.com.

1.3 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and Irish statute comprising of the Companies Act 2014.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

The financial statements are prepared in euro which is the reporting currency of the company and rounded to the nearest C.

The following principal accounting policies have been applied:

HCL (Ireland) Information Systems Limited

Notes to the Financial Statements

For the Financial year ended 31 March 2019

1. Accounting policies (continued)

1.1 Revenue

Revenue for consultancy services charged on a time and materials basis is recognised when the services are performed. Revenue for sale of licence is recognised upon the transfer of risks and rewards.

Revenue from fixed price contracts is recognised in accordance with the percentage completion method under which the revenue is recognised on the basis of cost incurred in respect of each contract as a proportion of total cost expected to be incurred. The cumulative impact of any revision in estimates of the percentage of work completed is reflected in the year in which the change becomes known. Provision for estimated losses is made during the year in which a loss becomes probable based on current cost estimates.

The amount of profit attributable to the stage of completion of a long term contract is recognised when the outcome of the contract can be foreseen with reasonable certainty. Turnover for such contracts is stated at the cost appropriate to the stage of completion plus attributable profits, less amounts recognised in previous years. Provision is made for losses as soon as they are foreseen.

Trade discounts are provided to customers in accordance with the agreed terms and conditions outlined in the customer contract and are discounted for as reduction in revenue.

1.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows.

Plant and machinery	-	10 years
Fixtures and fittings	-	7 years
Computer equipment	-	4-5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

HCL (Ireland) Information Systems Limited

Notes to the Financial Statements

For the Financial year ended 31 March 2019

1. Accounting policies (continued)

1.6 Operating leases: the Company as lessee

Leases in which substantially all the risk and rewards of ownership are retained by the lessor are classified as operating leases. Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

1.7 Finance leases

Where assets leased to a third party give rights approximating to ownership (finance leases), the assets are treated as if they had been sold outright. The amount removed from the fixed assets is the net book value on disposal of the asset. The profit on disposal, being the excess of the present value of the minimum lease payments over net book value is credited to profit or loss.

Lease payments are analysed between capital and interest components so that the interest element of the payment is credited to profit or loss over the term of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts owed by the lessee.

1.8 Stocks

Stocks comprises finished goods are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

1.9 Debtors

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

1.10 Cash and cash equivalents

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

1.11 Foreign currency transactions

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

HCL (Ireland) Information Systems Limited

Notes to the Financial Statements

For the Financial year ended 31 March 2019

1. Accounting policies (continued)

1.12 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

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

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

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

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

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

1.13 Creditors

Creditors are classified as current liabilities if payment is due within one year or less, if they are not they are presented as non current liabilities.

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

Notes to the Financial Statements

For the Financial year ended 31 March 2019

1. Accounting policies (continued)

1.14 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.15 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

1.16 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the financial year in which they are incurred.

1.17 Current and deferred taxation

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

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

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

The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and

Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

Notes to the Financial Statements

For the Financial year ended 31 March 2019

2. Judgments in applying accounting policies and key sources of estimation uncertainty

When preparing the financial statements, management undertakes a number of judgments, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses. These are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant management judgement

The following are significant management judgments in applying the accounting policies of the company that have the most significant effect on the financial statements.

Allowances for impairment of trade receivables

The company estimates the allowance for doubtful trade receivables based on assessment of specific accounts where the Company has objective evidence comprising default in payment terms or significant financial difficulty that certain customers are unable to meet their financial obligations. In these cases, judgment used was based on the best available facts and circumstances including but not limited to, the length of relationship.

Percentage of completion in Fixed Price Project

The company estimates the total cost of project based on which percentage of completion is calculated for Fixed price projects. Revenue is recognized based on the costs incurred to date as a percentage of total estimated cost to fulfil 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.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and physical obsolescence that may change the utility of certain assets.

HCL (Ireland) Information Systems Limited

Notes to the Financial Statements

For the Financial year ended 31 March 2019

3. Turnover

An analysis of turnover by class of business is as follows :

	Year ended 31 March 2019	Year ended 31 March 2018
	€	€
Software income	71,290,994	54,923,753
Product sales	1,648,174	2,710,831
	<u>72,939,168</u>	<u>57,634,584</u>

Analysis of turnover by country of destination :

	Year ended 31 March 2019	Year ended 31 March 2018
	€	€
Republic of Ireland	68,897,398	51,265,477
Rest of the world	4,041,770	6,369,107
	<u>72,939,168</u>	<u>57,634,584</u>

4. Profit on ordinary activities before taxation

The operating profit is stated after charging :

	Year ended 31 March 2019	Year ended 31 March 2018
	€	€
Depreciation of tangible assets	36,539	32,771
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts*	17,500	17,500
Operating lease - land and buildings	4,152,912	691,591
Foreign exchange gain	(3,022)	(13,143)
Defined contribution pension cost	<u>77,666</u>	<u>33,183</u>

*Fees mentioned above related to audit services € 17,500 (PY € 17,500) and no service other than audit provided during the year.

HCL (Ireland) Information Systems Limited

Notes to the Financial Statements

For the Financial year ended 31 March 2019

5. Employees

Staff costs were as follows :

	Year ended 31 March 2019	Year ended 31 March 2018
	€	€
Wages and salaries	13,632,069	17,400,054
Social insurance costs	1,376,194	1,775,452
Cost of defined contribution scheme	77,666	33,183
	<u>15,085,929</u>	<u>19,208,689</u>

Capitalised employee costs during the financial year amounted to € NIL (2018 - € NIL).

The average monthly number of employees, including the directors, during the financial year was as follows :

	Year ended 31 March 2019	Year ended 31 March 2018
	No.	No.
Employees	<u>393</u>	<u>709</u>

The director services to the company did not occupy a significant amount of time and they have not received any remuneration for the year end 31 march 2018 and 31 march 2019.

6. Interest payable and similar charges

	Year ended 31 March 2019	Year ended 31 March 2018
	€	€
Other loan interest payable	17,440	17,388
Interest on loans from group undertakings	56,581	99,814
	<u>74,021</u>	<u>117,202</u>

HCL (Ireland) Information Systems Limited

Notes to the Financial Statements

For the Financial year ended 31 March 2019

7. Taxation

	Year ended 31 March 2019	Year ended 31 March 2018
	€	€
Corporation tax		
Tax on profits for current year	687,703	357,212
Adjustments in respect of previous periods	(77,381)	(4,047)
	<u>610,322</u>	<u>352,565</u>
Total current tax	<u>610,322</u>	<u>352,565</u>
Deferred tax		
Origination and reversal of timing difference	(12,883)	(4,071)
Adjustment in respect previous periods	4,773	2,490
	<u>(8,110)</u>	<u>(1,581)</u>
Total deferred tax	<u>(8,110)</u>	<u>(1,581)</u>
Taxation on profit on ordinary activities	<u>602,212</u>	<u>350,984</u>

Factors affecting tax change for the financial year

The tax assessed for the financial year/period is higher than (2018- higher than) the standard rate of corporation tax in Ireland of 12.5 % (2018 - 12.5%). The differences are explained below:

	Year ended 31 March 2019	Year ended 31 March 2018
	€	€
Profit on ordinary activities before tax	<u>5,320,599</u>	<u>2,024,861</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in Ireland of 12.5 % (2018 - 12.5%)	665,075	253,108

Effects of :

Permanent differences	(1,629)	83,181
Tax on employee medical insurance	20,920	16,852
Adjustments to tax charge in respect of prior periods	(82,154)	(2,157)
Total tax charge for the financial year	<u>602,212</u>	<u>350,984</u>

HCL (Ireland) Information Systems Limited

Notes to the Financial Statements

For the Financial year ended 31 March 2019

8. Tangible fixed assets

	Plant and machinery €	Furniture and fittings €	Computer equipment €	Total €
Cost or valuation				
At 1 April 2018	100,403	7,957	69,887	178,247
Additions	-	-	19,310	19,310
At 31 March 2019	<u>100,403</u>	<u>7,957</u>	<u>89,197</u>	<u>197,557</u>
Depreciation				
At 1 April 2018	21,052	673	27,108	48,833
Charge for the year on owned assets	<u>19,297</u>	<u>1,137</u>	<u>16,105</u>	<u>36,539</u>
At 31 March 2019	<u>40,349</u>	<u>1,810</u>	<u>43,213</u>	<u>85,372</u>
Net book value				
At 31 March 2019	<u>60,054</u>	<u>6,147</u>	<u>45,984</u>	<u>112,185</u>
At 31 March 2018	<u>79,351</u>	<u>7,284</u>	<u>42,779</u>	<u>129,414</u>

9. Stocks

	2019 €	2018 €
Finished goods	<u>172,783</u>	<u>125,600</u>
	<u>172,783</u>	<u>125,600</u>

10. Debtors

	2019 €	2018 €
Due after more than one year		
Deferred tax asset	22,569	14,459
Finance lease receivables	<u>920,418</u>	<u>1,255,847</u>
	<u>942,987</u>	<u>1,270,306</u>
Due within one year		
Trade debtors	9,410,389	12,850,470
Amounts owed by group undertakings	17,454,531	9,163,964
Finance lease receivables	1,061,228	906,241
Other debtors	102,432	22,715
Prepayments	100,672	88,324
Accrued income	<u>1,179,886</u>	<u>788,005</u>
	<u>29,309,138</u>	<u>23,819,719</u>

Amounts owed by group undertakings are unsecured, receivable on demand and non-interest bearing.

HCL (Ireland) Information Systems Limited

Notes to the Financial Statements

For the Financial year ended 31 March 2019

11. Cash and cash equivalents

	2019	2018
	€	€
Cash at bank and in hand	2,255,970	4,433,714
	<u>2,255,970</u>	<u>4,433,714</u>

12. Creditors : Amounts falling due within one year

	2019	2018
	€	€
Trade creditors	784,440	618,959
Amounts owed to group undertakings	16,298,094	20,703,060
Corporation tax	360,439	218,908
Other taxation and social insurance	1,221,907	2,368,391
Other creditors	201,309	51,889
Accruals and deferred income	6,223,029	2,832,088
	<u>25,089,218</u>	<u>26,793,295</u>

Trade and other creditors are payable at various dates in accordance with the supplier's usual and customary credit terms.

All taxes including social insurance are repayable at various dates over the coming months in accordance with the applicable statutory provisions.

Amounts due to group undertakings in relation to short term loans are unsecured, attract interest at Libor plus 100bps and are repayable on demand.

	2019	2018
	€	€
Other taxation and social insurance		
PAYE/PRSI control	157,621	416,034
Value added tax	1,064,286	1,952,357
	<u>1,221,907</u>	<u>2,368,391</u>

HCL (Ireland) Information Systems Limited

Notes to the Financial Statements

For the Financial year ended 31 March 2019

13. Share capital

	2019 €	2018 €
Shares presented as equity		
Authorised		
500000 Ordinary shares of €10 each	<u>5,000,000</u>	<u>5,000,000</u>
Allotted, called up and fully paid		
10000 Ordinary shares of €10 each	<u>100,000</u>	<u>100,000</u>

The company has issued 10000 ordinary shares of €10 each at par value.

14. Retained earnings

Includes all current and prior period retained profits and losses.

15. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contribution payable by the Company to the fund and amounted to € 77,666 (2018: €33,183).

16. Commitments under operating leases

At 31 March 2019 the Company had future minimum lease payments under non-cancellable operating lease as follows:

	2019 €	2018 €
Not later than 1 year	968,084	1,052,048
Later than 1 year and not later than 5 years	2,532,681	3,977,291
Later than 5 years	-	2,238,528
	<u>3,500,765</u>	<u>7,267,867</u>

HCL (Ireland) Information Systems Limited

Notes to the Financial Statements

For the Financial year ended 31 March 2019

17. Auditors' remuneration

	Year ended 31 March 2019 €	Year ended 31 March 2018 €
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	<u>17,500</u> <u>17,500</u>	<u>17,500</u> <u>17,500</u>

18. Related party transactions

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

19. Controlling party

The parent company is HCL Technologies UK Limited, a company registered in the United Kingdom. The ultimate parent company is HCL Technologies Limited, a company registered in India. The results for the year are consolidated within HCL Technologies Limited, the consolidated financial statements are available at www.hcltech.com.

20. Post balance sheet events

There have been no significant events affecting the company since the financial year end.

21. Approval of financial statements

The board of directors approved these financial statements for issue on 8/07/2019

HCL (Ireland) Information Systems Limited

"The following information does not form part of the statutory financial statements".

HCL (Ireland) Information Systems Limited

Management information For the year ended 31 March 2019

HCL (Ireland) Information Systems Limited

Detailed profit and loss account

For the Year ended 31 March 2019

	Year ended 31 March 2019 €	Year ended 31 March 2018 €
Turnover	72,939,168	57,634,584
Cost of sales	<u>(61,519,860)</u>	<u>(52,052,325)</u>
Gross profit	11,419,308	5,582,259
Gross profit %	15.66%	9.69%
Less : overheads		
Selling and distribution expenses	(580,366)	(873,957)
Administrative expenses	(5,456,876)	(2,579,382)
Other operating income	12,554	13,143
Operating profit	<u>5,394,620</u>	<u>2,142,063</u>
Interest payable and expenses	(74,021)	(117,202)
Profit before tax	<u>5,320,599</u>	<u>2,024,861</u>
Tax on profit on ordinary activities	(602,212)	(350,984)
Profit for the financial year	<u><u>4,718,387</u></u>	<u><u>1,673,877</u></u>

HCL (Ireland) Information Systems Limited

Schedule to the Detailed Accounts

For the Financial year ended 31 March 2019

	2019	2018
	€	€
Turnover		
Sales - Domestic - Software income	68,089,175	48,554,646
Sales - Domestic - Product sales	808,223	2,710,831
Sales - Rest of world	4,041,770	6,369,107
	<u>72,939,168</u>	<u>57,634,584</u>
	2019	2018
	€	€
Cost of sales		
Cost of products sold	1,280,731	2,391,335
Wages and salaries	12,880,953	16,066,595
Social welfare costs	1,376,194	1,775,452
Other pension costs	77,666	33,183
Light, heat and power	87,585	1,384
Rate and taxes	110,253	35,860
Travel and subsistence	171,981	203,041
Consulting charges - Group	40,700,952	28,143,193
Consulting charges - Others	3,004,306	3,141,097
Recruitment costs	23,898	114,433
Repairs and maintenance	17,932	26,327
Communication	-	35,155
Training costs	100	2,124
Other project costs	1,779,313	71,020
Staff welfare	7,996	12,126
	<u>61,519,860</u>	<u>52,052,325</u>
	2019	2018
	€	€
Selling and distribution expenses		
Salaries and wages	511,467	747,010
Distribution	10,839	43,103
Miscellaneous costs	58,060	83,844
	<u>580,366</u>	<u>873,957</u>

HCL (Ireland) Information Systems Limited

Schedule to the Detailed Accounts

For the Financial year ended 31 March 2019

	2019	2018
	€	€
Administration expenses		
Staff salaries	239,648	586,449
Staff welfare	2,714	874
Hotels, travel and subsistence	2,696	12,701
Printing and stationery	2,611	3,813
General office expenses	9,829	9,338
Trade subscriptions	-	103
Legal and professional	94,502	155,886
Auditors' remuneration	17,500	17,500
Rent - operating leases	4,152,912	691,591
Rates	102,180	158,040
Light and heat	205,276	322,737
Insurances	12,444	20,186
Repairs and maintenance	583,485	597,570
Depreciation - plant and machinery	19,298	18,077
Depreciation - computer equipment	16,105	14,021
Depreciation - fixtures and fittings	1,137	673
Staff recruitment	(5,461)	(30,177)
	<u>5,456,876</u>	<u>2,579,382</u>
	2019	2018
	€	€
Other operating income		
Other miscellaneous income	(9,532)	-
Foreign exchange difference	(3,022)	(13,143)
	<u>(12,554)</u>	<u>(13,143)</u>
	2019	2018
	€	€
Interest payable and expenses		
Group interest payable	56,581	99,814
Bank charges	17,440	17,388
	<u>74,021</u>	<u>117,202</u>