

HCL Technologies Estonia OÜ
Financial Statement
For the year ended 31st March 2019 and 31st March 2018

INDEPENDENT AUDITOR'S REPORT

To the Members of HCL Technologies Estonia OÜ

Opinion

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

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

Basis for Opinion

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

Responsibility of Management for the special purpose Ind AS Financial Statements

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

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



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

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

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

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

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

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

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



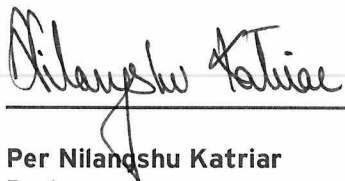
Other Matter

These special purpose Ind AS financial statements have been prepared in all material respects in accordance with the basis of preparation as set out in Note 1(a) to the Ind AS financial statements, which describes the basis of accounting and the related audit covered by the report was carried out following the generally accepted auditing principles in India. This report covering the financial statements of the Company for the year ended March 31, 2019 is intended for the information and use of the board of directors of the Company and HCL Technologies Limited, the ultimate holding company to comply with the financial reporting requirement in India. Use of these financial statements or the related audit report for any other purpose will be subject to the above explanation.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



Per Nilangshu Katriar

Partner

Membership Number: 58814

Place of Signature: Gurugram

Date: June 19, 2019



HCL Technologies Estonia OÜ
Balance Sheet as at 31 March, 2019
(All amounts in thousands except share data and as stated otherwise)

	Note No.	As at 31 March 2019 (EUR)	As at 31 March 2018 (EUR)	As at 31 March 2019 Refer Note 1(a) (€)
I. ASSETS				
(1) Non-current assets				
(a) Property, plant and equipment	2.1	28	46	2,209
(b) Financial Assets				
(i) Security deposits	2.2	-	6	-
(2) Current assets				
(a) Financial assets				
(i) Trade receivables	2.3	49	36	3,842
(ii) Cash and cash equivalents	2.4	707	605	54,901
(iii) Others	2.2	6	118	489
(b) Other current assets	2.5	59	45	4,595
TOTAL ASSETS		849	856	66,036
II. EQUITY				
(a) Equity share capital	2.6	200	200	15,535
(b) Other Equity		(235)	(245)	(18,241)
TOTAL EQUITY		(35)	(45)	(2,706)
III. LIABILITIES				
(1) Current liabilities				
(a) Financial liabilities				
(i) Trade payables	2.7	23	26	1,813
(ii) Others	2.8	9	18	711
(b) Other current liabilities	2.9	847	855	65,810
(c) Provisions	2.10	5	2	408
TOTAL EQUITY AND LIABILITIES		849	856	66,036

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

Nilangshu Katriar
per Nilangshu Katriar
Partner
Membership Number: 58814



Gurugram, India

Date: 19 JUNE 2019

For and on behalf of the Board of Directors
of HCL Technologies Estonia OÜ

Shiv Walia
Shiv Walia
Director
Bejoy George
Bejoy George
Director

Date: 19 JUNE 2019

HCL Technologies Estonia OÜ
Statement of Profit and Loss for the year ended 31 March, 2019
(All amounts in thousands except share data and as stated otherwise)

	Note No.	Year ended 31 March 2019 (EUR)	Year ended 31 March 2018 (EUR)	Year ended 31 March 2019 Refer Note 1(a) (₹)
I Revenue				
Revenue from operations	2.11	217	61	16,880
Other income	2.12	12	3	918
Total income		229	64	17,798
II Expenses				
Purchase of traded goods		49	4	3,796
Employee benefits expense	2.13	94	32	7,309
Finance costs	2.14	0	1	10
Depreciation expense	2.1	18	18	1,387
Other expenses	2.15	58	93	4,474
Total expenses		219	148	16,976
III Profit/(Loss) before tax		10	(84)	822
IV Tax expense		-	-	-
V Profit/(Loss) before tax		10	(84)	822
VI Other comprehensive income				
Items that will not be reclassified to profit or loss		-	-	-
Items that will be reclassified subsequently to profit or loss		-	-	-
VII Total Comprehensive profit/(loss) for the year		10	(84)	822
Profit/(Loss) per equity share of EUR 1 each				
Basic and Diluted	2.17	0.05	(0.42)	4.11

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.

Nilangshu Katriar
per Nilangshu Katriar
Partner
Membership Number: 58814



Gurugram, India

Date: 19 JUNE 2019

For and on behalf of the Board of Directors
of HCL Technologies Estonia OÜ

Shiv Walia
Shiv Walia
Director

Bejoy George
Bejoy George
Director

Date: 19 JUNE 2019

HCL Technologies Estonia OÜ
Statement of Changes in Equity for the year ended 31 March, 2019
(All amounts in thousands except share data and as stated otherwise)

	Equity share capital		Amount in EUR
	Shares	Share Capital	Other Equity
Balance as of April 1, 2017	200	200	(160)
Loss for the year	-	-	(84)
Other comprehensive income / (loss)	-	-	-
Total comprehensive loss for the year	-	-	(84)
Issue of equity shares during the year	-	-	-
Balance as of March 31, 2018	200	200	(245)
Balance as of April 1, 2018	200	200	(245)
Profit for the year	-	-	10
Other comprehensive income / (loss)	-	-	-
Total comprehensive profit for the year	-	-	10
Issue of equity shares during the year	-	-	-
Balance as of March 31, 2019	200	200	(235)

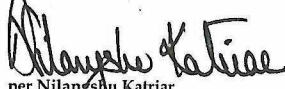
	Equity share capital		Amount in ₹
	Shares	Share Capital	Other Equity
Balance as of April 1, 2018	200	15,535	(19,064)
Profit for the year	-	-	822
Other comprehensive income / (loss)	-	-	-
Total comprehensive profit for the year	-	-	822
Balance as of March 31, 2019	200	15,535	(18,241)

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




per Nilangshu Katriar
Partner
Membership Number: 58814



Gurugram, India

Date: 19 JUNE 2019

For and on behalf of the Board of Directors
of HCL Technologies Estonia OÜ

 
Shiv Walia Bejoy George
Director Director

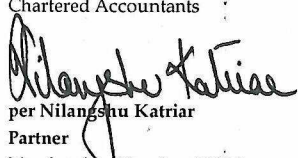
Date: 19 JUNE 2019

HCL Technologies Estonia OÜ
Cash flow statement for the year ended 31 March, 2019
(All amounts in thousands except share data and as stated otherwise)

	Year ended 31 March 2019 (EUR)	Year ended 31 March 2018 (EUR)	Year ended 31 March 2019 Refer Note 1(a) (₹)
A. Cash flows from operating activities			
Profit/(Loss) before tax	10	(84)	822
Adjustment for:			
Depreciation expenses	18	18	1,387
Other non cash (benefits)/charges	(12)	-	(913)
Operating loss before working capital changes	16	(66)	1,296
Movement in Working Capital			
(Increase)/ decrease in trade receivables	(13)	43	(1,046)
(Increase)/ decrease in other financial assets and other assets	103	(17)	7,965
Increase/ (decrease) in trade payables	(3)	(8)	(233)
Increase/ (decrease) in provisions, other financial liabilities and other liabilities	1	103	57
Cash generated from operations	104	55	8,039
Direct taxes paid (net of refunds)	-	-	-
Net cash flow from operating activities (A)	104	55	8,039
C. Cash flows from financing activities			
Interest paid	(2)	-	(155)
Net cash generated from/(used in) financing activities (B)	(2)	-	(155)
Net increase in cash and cash equivalents (A+B)	102	55	7,883
Cash and cash equivalents at the beginning of the year	605	550	47,018
Cash and cash equivalents at the end of the year as per note 2.4	707	605	54,901

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



Gurugram, India
Date: 19 JUNE 2019

For and on behalf of the Board of Directors
of HCL Technologies Estonia OÜ


Shiv Walia
Director


Bejoy George
Director

Date: 19 JUNE 2019 

Company Overview

HCL Technologies Estonia OÜ (hereinafter referred to as 'Company') is a Business Transformation consultancy company aiming to provide medium and large size organizations with Business Transformation solutions that encompass all elements of Business Consulting, Solution Implementation and ongoing Application Management. The Company was incorporated on 8 June 2015 in Harju.

The financial statements for the year ended 31 March 2019 were approved and authorized for issue by the Board of Directors on 19th June 2019.

1. Significant Accounting Policies

a) Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, (as amended from time to time) and presentation requirements of Schedule III (Division II) to the Companies Act, 2013, as applicable to the financial statements. These financial statements have been prepared on the request of the Ultimate Holding Company to comply with the financial reporting requirement in India.

As at 31 March 2019 the Company has accumulated losses of EUR 235 thousands since incorporation, which has fully eroded the net worth. However, the ultimate holding company has committed to provide continuing financial and operational support to the Company for its operations in the foreseeable future.

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

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

The functional currency of the Company is EUR. The translation from EUR to ₹ is unaudited and is included solely for the convenience of readers in India and has been performed using rate of EUR 1 = ₹ 77.6771/-, 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, EUR at that or any other rate.

b) Use of estimates

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

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) Leases

Where the Company is the lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

d) Fair value measurement

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

The guidance of fair value specifies a hierarchy of valuation techniques based on whether the inputs to each measurement are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's assumptions about current market conditions. The fair value hierarchy also requires a company to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The prescribed fair value hierarchy and related valuation methodologies are as follows:

Level 1 - Quoted inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 - Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-derived valuations, in which all significant inputs are directly or indirectly observable in active markets.

Level 3 - Valuations derived from valuation techniques, in which one or more significant inputs are unobservable inputs which are supported by little or no market activity.

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

- i. Market approach – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.
- ii. Income approach – Converting the future amounts based on market expectations to its present value using the discounting methodology.
- iii. 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) 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 assets 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 fixed assets, 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 property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

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

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

	Life (in years)
Computer	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. Hence, the useful life for the assets is different from the useful life prescribed under Part C of Schedule II of the Companies Act 2013.

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

f) Revenue Recognition

Adoption of new accounting principles

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



Contracts involving provision of services and material

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

Time-and-material / Volume based / Transaction based contracts

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

Revenue from product sales are shown net of sales tax and applicable discounts and allowances. Revenue related to product with installation services that are critical to the product is recognized when installation of product at customer site is completed and accepted by the customer. If the revenue for a delivered item is not recognized for non-receipt of acceptance from the customer, the cost of the delivered item continues to be in inventory.

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

g) 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.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the year in which the transaction is settled. Revenue, 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.



h) Taxation

HCL Estonia is a tax-free country hence no current tax and deferred tax provided in the financial statement.

i) 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: Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets at amortized cost

A financial asset 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 considering 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 receivables, trade and other receivables.

ii. Financial liabilities - Initial recognition and measurement

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

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

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



j) Earning per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted EPS amounts are computed by dividing the net profit attributable to the equity holders of the parent company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

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) Retirement and other employee benefits

Contributions to defined contribution plans are recognized as expense when employees have rendered services entitling them to such benefits.

m) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks, which are subject to an insignificant risk of changes in value.



HCL Technologies Estonia OÜ
Notes to Financial Statement for the year ended 31 March, 2019
(All amounts in thousands except share data and as stated otherwise)

2.1 Property, plant and equipment

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

	Computers	Total	Computers	Total
	(EUR)	(EUR)	(₹)	(₹)
Gross block as at 1 April 2018	88	88	6,847	6,847
Additions	-	-	-	-
Gross block as at 31 March 2019	88	88	6,847	6,847
Accumulated depreciation as at 1 April 2018	42	42	3,251	3,251
Charge for the year	18	18	1,387	1,387
Deletions	-	-	-	-
Accumulated depreciation as at 31 March 2019	60	60	4,638	4,638
Net block as at 31 March 2019	28	28	2,209	2,209

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

	Computers	Total
	(EUR)	(EUR)
Gross block as at 1 April 2017	88	88
Additions	-	-
Deletions/ Adjustments	-	-
Gross block as at 31 March 2018	88	88
Accumulated depreciation as at 1 April 2017	24	24
Charge for the year	18	18
Deletions	-	-
Accumulated depreciation as at 31 March 2018	42	42
Net block as at 31 March 2018	46	46



2.2 Other financial assets

	As at		
	31 March 2019	31 March 2018	31 March 2019
	(EUR)	(EUR)	(₹)
Non - current			
Security deposits	-	6	-
	-	6	-
Current			
Carried at amortized cost			
Security deposits	6	-	489
Unbilled receivables (Previous year - Unbilled revenue)	-	3	-
Unbilled receivables - related parties (Previous year - Unbilled revenue) (refer note no. 2.16)	-	115	-
	6	118	489

2.3 Trade Receivables

	As at		
	31 March 2019	31 March 2018	31 March 2019
	(EUR)	(EUR)	(₹)
Current			
Unsecured considered good	49	36	3,842
Trade Receivables which have significant increase in credit risk	-	-	-
Trade Receivables - credit impaired	-	-	-
	49	36	3,842
Impairment Allowance (allowance for bad and doubtful debts)			
Unsecured, considered good	-	-	-
Trade Receivables which have significant increase in credit risk	-	-	-
Trade Receivables - credit impaired	-	-	-
	49	36	3,842

Note: Includes receivables from related parties amounting to EUR 43 thousand and ₹3,364 thousand [31 March 2018 : EUR 32 thousand] (refer note 2.16)

2.4 Cash and cash equivalent

	As at		
	31 March 2019	31 March 2018	31 March 2019
	(EUR)	(EUR)	(₹)
Balance with banks			
- in current accounts	707	605	54,901
	707	605	54,901

2.5 Other current assets

	As at		
	31 March 2019	31 March 2018	31 March 2019
	(EUR)	(EUR)	(₹)
Unsecured , considered good			
Advances to vendor	-	0	-
Advances to employees	0	2	32
Others			
Prepaid expenses	0	-	17
VAT Receivable	59	43	4,546
	59	45	4,595

2.6 Share Capital

	As at		
	31 March 2019	31 March 2018	31 March 2019
	(EUR)	(EUR)	(₹)
Authorized			
200,000 Equity shares of EUR 1 each	200	200	15,535
Issued, subscribed and fully paid up			
200,000 Equity shares of EUR 1 each	200	200	15,535

Terms/ rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of EUR 1/-. 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 year

	As at			
	31 March 2019		31 March 2018	
	(EUR)		(EUR)	
	No. of shares	Amount in EUR	No. of shares	Amount in EUR
Number of shares at the beginning	200,000	200	200,000	200
Add: Shares issued during the year	-	-	-	-
Number of shares at the end	200,000	200	200,000	200

Shares held by holding Company:-

	As at			
	31 March 2019		31 March 2018	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of EUR 1 each fully paid				
HCL Tehnologies UK limited, the holding company	200,000	100%	200,000	100%

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

	As at			
	31 March 2019		31 March 2018	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of EUR 1 each fully paid				
HCL Tehnologies UK limited, the holding company	200,000	100%	200,000	100%

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

There are no bonus shares issued, no shares issued for consideration other than cash and no shares bought back immediately preceding the reporting date from date of incorporation.

Capital management

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

2.7 Trade payables

	As at		
	31 March 2019	31 March 2018	31 March 2019
	(EUR)	(EUR)	(€)
Trade payables	-	0	-
Trade payables-related parties (refer note no. 2.16)	23	26	1,813
	23	26	1,813

2.8 Other financial liabilities

	As at		
	31 March 2019	31 March 2018	31 March 2019
	(EUR)	(EUR)	(€)
Current			
Carried at amortized cost			
Interest payable- related parties (refer note no. 2.16)	-	2	-
Liabilities for expenses	6	16	461
Other Payroll Liabilities	3	-	250
	9	18	711

2.9 Other current liabilities

	As at		
	31 March 2019	31 March 2018	31 March 2019
	(EUR)	(EUR)	(€)
Others Payable- related parties (refer note no. 2.16)	847	855	65,810
	847	855	65,810

2.10 Provisions

	As at		
	31 March 2019	31 March 2018	31 March 2019
	(EUR)	(EUR)	(€)
Provision for Leave Encashment	5	2	408
	5	2	408



2.11 Revenue from operations

	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2019
	(EUR)	(EUR)	(₹)
Sale of services	161	56	12,496
Sale of hardware and software	56	5	4,384
	217	61	16,880

2.12 Other income

	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2019
	(EUR)	(EUR)	(₹)
Interest income	0	0	5
Provisions no longer required written back (net)	3	3	230
Exchange differences (net)	-	0	-
Miscellaneous income	9	-	683
	12	3	918

2.13 Employee benefits expense

	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2019
	(EUR)	(EUR)	(₹)
Salaries, wages and bonus	65	24	5,021
Contribution to employee benefits funds	23	7	1,778
Leave encashment	3	1	241
Other welfare expenses	3	0	269
	94	32	7,309

2.14 Finance cost

	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2019
	(EUR)	(EUR)	(₹)
Bank charges	0	1	10
	0	1	10

2.15 Other expenses

	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2019
	(EUR)	(EUR)	(₹)
Rent	33	43	2,549
Power and fuel	2	13	125
Repairs and maintenance	6	7	477
Travel and conveyance	-	15	-
Legal and professional charges	1	4	52
Outsourcing costs	11	11	856
Recruitment, training and development	5	-	404
Exchange differences (net)	0	-	11
	58	93	4,474



2.16 Related party transaction

a) Related parties where control exists

Holding company

HCL Technologies UK limited

Ultimate Holding company

HCL Technologies limited

b) Related Party where transactions have taken place during the year

HCL Technologies Denmark ApS

HCL (Netherlands) B.V.

Geometric Europe GmbH

HCL Technologies Sollutions GmbH (fly Axon Soltns Schz GmbH)

HCL GmbH

c) Transactions with related parties during the ordinary course of business

(EUR)

	Ultimate Holding company		Holding company		Fellow subsidiaries	
	Year ended		Year ended		Year ended	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Outsourcing costs	-	7	-	-	9	2
Revenue from operations	-	-	-	-	147	42

(₹)

	Ultimate Holding company	Holding company	Fellow subsidiaries
	Year ended		
	31 March 2019	31 March 2019	31 March 2019
Outsourcing costs	-	-	699
Revenue	-	-	11,419

d) Outstanding balances of related parties as at 31st March'19

(EUR)

	Ultimate Holding company		Holding company		Fellow subsidiaries	
	Year ended		Year ended		Year ended	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Others Payable	-	-	-	-	847	855
Reimbursement of expense	-	-	-	-	0	-
Unbilled receivables (Previous year - Unbilled revenue)	-	115	-	-	-	-
Interest payable	-	-	-	-	-	2
Trade Receivables	-	-	-	-	43	32
Trade Payable	-	2	23	23	0	1

(₹)

	Ultimate Holding company	Holding company	Fellow subsidiaries
	Year ended		
	31 March 2019	31 March 2019	31 March 2019
Others Payable	-	-	65,810
Trade Receivables	-	-	3,364
Trade Payable	-	1,786	28



HCL Technologies Estonia OÜ
Notes to Financial Statement for the year ended 31 March, 2019
(All amounts in thousands except share data and as stated otherwise)

2.17 Earnings per equity share (EPS)

Particulars	As at		
	31 March 2019	31 March 2018	31 March 2019
	(EUR)	(EUR)	(€)
Net profit/(Loss) as per statement of profit and loss for computation of EPS	10	(84)	822
Weighted average number of equity shares outstanding in calculating Basic and dilutive EPS	200,000	200,000	200,000
Nominal value of equity shares (EUR)	1	1	77.68
Loss/ Profit per equity share (EUR)			
- Basic and Diluted	0.05	(0.42)	4.11

2.18 Segment Reporting

In the opinion of the management there is only one business segment of the company and the company operates a single geographical segment, hence there is no separable segment as envisaged in the Ind AS-108 "Segment Reporting" notified by Companies (Accounting Standards) Rules, 2006, (as amended). Accordingly no disclosure for segment reporting have been included in these financial statements.

2.19 Operating lease

The Company's significant leasing arrangements are in respect of operating leases for office spaces. The aggregate lease rental expense recognized in the statement of profit and loss for the year amounts to EUR 33 thousand.

The lease equalization reserve amount for non-cancellable operating lease payable in future years and accounted for by the Company is Zero (31 March 2018, EUR 4 thousand). Future minimum lease payments and the payment profile of non-cancellable operating leases are as follows:

	As at		
	31 March 2019	31 March 2018	31 March 2019
	(EUR)	(EUR)	(€)
Not later than one year	-	41	-
Later than one year and not later than 5 years	-	57	-
Later than five years	-	-	-
	-	98	-

2.20 Financial Instruments
Financial assets and liabilities

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

	Amortized Cost	Total Carrying Value	Amortized Cost	Total Carrying Value
	(EUR)	(EUR)	(€)	(€)
Financial Assets				
Trade Receivables	49	49	3,842	3,842
Cash and Cash Equivalents	707	707	54,901	54,901
Others (refer note 2.2)	6	6	489	489
Total	762	762	59,232	59,232
Financial Liabilities				
Trade Payables	23	23	1,813	1,813
Others (refer note 2.8)	9	9	711	711
Total	32	32	2,524	2,524

The carrying value of financial instruments by categories as at 31 March 2018 is as follows:

	Amortized Cost	Total Carrying Value
	(EUR)	(EUR)
Financial Assets		
Trade Receivables	36	36
Cash and Cash Equivalents	605	605
Others (refer note 2.2)	124	124
Total	765	765
Financial Liabilities		
Trade Payables	26	26
Others (refer note 2.8)	18	18
Total	44	44



2.20 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. The Company has a risk management policy to manage & mitigate these risks.

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

Market risk

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

(i) Foreign currency risk

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

The exchange rate risk primarily arises from assets and liabilities denominated in currencies other than foreign currency. An insignificant portion of the Company's revenue is in other foreign currency while a large portion of costs are in EUR. The fluctuation in exchange rates in respect to EUR 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 loss before tax by nominal amount for the year ended 31 March, 2019.

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

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

	Net financial assets		Net financial liabilities	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	(EUR)	(EUR)	(EUR)	(EUR)
USD/EUR	178	187	179	192
DKK/EUR	-	-	3	-

Credit risk

Financial instruments that potentially subject the Company to concentration of credit risk consist principally of cash and bank balances, trade receivables, unbilled receivables. By their nature, all such financial instruments involve risks, including the credit risk of nonperformance by counterparties.

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.

3. Previous year comparatives

The Company has presented in "EUR in absolute amount" to "EUR in thousands" and accordingly, amounts less than EUR 0.50 thousands are rounded off to Zero.

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

Nilangshu Katriar
per Nilangshu Katriar
Partner
Membership Number: 58814



Gurugram, India
Date: 19 JUNE 2019

For and on behalf of the Board of Directors
of HCL Technologies Estonia OÜ

Shiv Walia
Shiv Walia
Director

Bejoy George
Bejoy George
Director

Date: 19 JUNE 2019