PRYD & Associates
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of HCL Technologies (Thailand) Limited.

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of HCL Technologies (Thailand) Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor

PRYD & ASSOCIATES New Delhi 011626N Chartered Accountants

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considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other matters

This report covering the financial statements of the Company for the year ended March 31, 2018 is intended for the information and use of the board of directors of the Company and HCL Technologies Limited, the ultimate holding company to comply with the financial reporting requirement in India. These financial statements have been prepared in all material respects in accordance with the basis of preparation as set out in Note 1 (a) to the financial statements of the company, which describes the basis of accounting and the related audit covered by the report was carried out following the generally accepted auditing principles in India. Use of these financial statements or the related audit report for any other purpose will be subject to the above explanation.

For **M/s PRYD & Associates**
F No. 011626N
Chartered Accountants

PRYD & ASSOCIATES New Delhi 011626N Chartered Accountants

CA P M Mittal
M No. 094667
(Partner)

Date – 10 August 2018
Place – New Delhi, India

HCL Technologies (Thailand) Limited

STANDALONE FINANCIAL STATEMENT

Years ended 31 March 2018 and 2017

HCL Technologies (Thailand) Limited

Balance Sheet as at 31 March 2018

(All amounts in thousands, except share data and as stated otherwise)

	Note No.	As at 31 March 2018 (THB)	As at 31 March 2017 (THB)	As at 31 March 2018 (₹)
I. ASSETS				
(1) Non-current assets				
(a) Property, Plant and Equipment	2.1	3,996	1,851	8,326
(b) Capital work in progress		-	352	-
(c) Deferred tax assets (net)	2.20	734	60	1,530
(d) Other non-current assets	2.2	41	38	85
(2) Current assets				
(a) Inventories	2.3	123	228	256
(b) Financial Assets				
(i) Trade receivables	2.4	51,393	37,043	107,070
(ii) Cash and cash equivalents	2.5	57,209	24,634	119,188
(iii) Loans	2.6	205	109	427
(iv) Others	2.7	2,851	1,447	5,939
(c) Other current assets	2.8	3,188	561	6,642
TOTAL ASSETS		**119,740**	**66,323**	**249,463**
II. EQUITY				
(a) Equity Share Capital	2.9	19,630	19,630	40,897
(b) Other Equity		12,015	480	25,031
III. LIABILITIES				
(1) Current liabilities				
(a) Financial Liabilities				
(i) Trade payables	2.11	75,992	43,858	158,320
(ii) Others	2.12	7,119	1,523	14,832
(b) Other current liabilities	2.13	2,399	350	4,998
(c) Provisions	2.10	384	159	801
(d) Current Tax Liabilities (Net)		2,201	323	4,584
TOTAL EQUITY AND LIABILITIES		**119,740**	**66,323**	**249,463**
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 PRYD & Associates
ICAI Firm Registration Number : 011626 N
Chartered Accountants

PRYD & ASSOCIATES New Delhi 011626N Chartered Accountants

PM Mittal
Partner
Membership Number: 094667

New Delhi, India
Date: 10-08-2018

For and on behalf of the Board of Directors
of HCL Technologies (Thailand) Limited

Sundaram Sridharan
Director

Raghu Raman Lakshmanan
Director

Date:

HCL Technologies (Thailand) Limited

Statement of Profit and Loss for the year ended 31 March 2018

(All amounts in thousands, except share data and as stated otherwise)

		Note No.	Year ended 31 March 2018 (THB)	Year ended 31 March 2017 (THB)	Year ended 31 March 2018 (₹)
I	**Revenue**				
	Revenue from operations	2.14	138,773	52,495	289,116
	Other income	2.15	-	409	-
	Total revenue		138,773	52,904	289,116
II	**Expenses**				
	Purchase of traded goods		442	762	920
	Changes in inventories of traded goods	2.16	105	(228)	219
	Employee benefits expense	2.17	17,575	8,686	36,616
	Finance costs	2.18	77	25	160
	Depreciation and amortization expense	2.1	1,167	486	2,431
	Outsourcing costs		90,406	39,207	188,349
	Other expenses	2.19	13,796	2,014	28,742
	Total expenses		123,568	50,952	257,437
III	**Profit before tax**		15,205	1,952	31,680
IV	**Tax expense**				
	Current tax	2.20	4,344	416	9,051
	Deferred tax credit	2.20	(674)	163	(1,405)
	Total tax expense/(credit)		3,670	579	7,646
V	**Profit for the year**		11,535	1,373	24,034
VI	**Total Comprehensive Income for the year**		11,535	1,373	24,034
	Earnings per equity share of par value THB 100 each				
	Basic and Diluted (in ₹)	2.21	58.76	6.99	122.43
	Summary of significant accounting policies	1			

The accompanying notes are an integral part of the financial statements

As per our report of even date

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Chartered Accountants

PRYD & ASSOCIATES New Delhi 011626N Chartered Accountants

PM Mittal
Partner
Membership Number 094667

New Delhi, India
Date: 10-08-2018

For and on behalf of the Board of Directors
of HCL Technologies (Thailand) Limited

Sundaram Sridharan
Director

Raghu Raman Lakshmanan
Director

Date:

HCL Technologies (Thailand) Limited

Statement of Changes in Equity for the year ended 31 March 2018

(All amounts in thousands, except share data and as stated otherwise)

(Amount in THB)

	Equity share capital		Other Equity
	Shares(No's)	Share capital	Reserve and Surplus
Balance as of April 1, 2016	196,300	19,630	(893)
Profit for the year	-	-	1,373
Total comprehensive income for the year	-	-	1,373
Balance as of March 31, 2017	196,300	19,630	480
Balance as of April 1, 2017	196,300	19,630	480
Profit for the year	-	-	11,535
Total comprehensive income for the year	-	-	11,535
Balance as of March 31, 2018	196,300	19,630	12,015
Balance as of March 31, 2018 (₹)		40,897	25,031

The accompanying notes are an integral part of the financial statements

As per our report of even date

FOR PRYD & Associates
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Chartered Accountants

PRYD & ASSOCIATES New Delhi 011626N Chartered Accountants

PM Mittal
Partner
Membership Number: 094667

New Delhi, India
Date: 10-08-2018

For and on behalf of the Board of Directors
of HCL Technologies (Thailand) Limited

Sundaram Sridharan
Director

Raghu Raman Lakshmanan
Director

Date:

HCL Technologies (Thailand) Limited
Cash Flow Statement for the year ended March 31, 2018
(All amounts in thousands, except share data and as stated otherwise)

		Year ended 31 March 2018 (THB)	Year ended 31 March 2017 (THB)	Year ended 31 March 2018 (₹)
A. Cash flows from operating activities				
Profit before tax		15,205	1,952	31,677
Adjustment for:				
Depreciation and amortization		1,167	486	2,431
Unrealised exchange loss/(gain)		(414)	(460)	(863)
Provision for Doubtful Debts		101	-	211
Operating profit/(Loss) before working capital changes		**16,059**	**1,978**	**33,456**
Movement in Working Capital				
Increase in trade receivables		(14,451)	(37,043)	(30,106)
(Increase)/decrease in inventories		105	(228)	219
(Increase)/decrease in other financial assets and other assets		(4,153)	3,782	(8,653)
Increase/ (decrease) in trade payables		32,572	28,562	67,859
Increase/ (decrease) in provisions, other financial liabilities and other liabilities		7,871	(3,688)	16,399
Cash generated from/(used in) operations		**38,003**	**(6,637)**	**79,174**
Direct taxes paid (net of refunds)		(2,468)	-	(5,140)
Net cash flow/(used) in operating activities	(A)	**35,535**	**(6,637)**	**74,034**
B. Cash flows from investing activities				
Purchase of property,plant and equipment, including capital work in progress and capital advances		(2,960)	(1,956)	(6,167)
Net cash flow from/(used) in investing activities	(B)	**(2,960)**	**(1,956)**	**(6,167)**
C. Cash flows from financing activities				
Net cash flow used in financing activities	(C)	-	-	-
Net increase/ (decrease) in cash and cash equivalents (A+B+C)		32,575	(8,593)	67,867
Cash and cash equivalents at the beginning of the year		24,634	33,227	51,322
Cash and cash equivalents at the end of the year as per note 2.5		**57,209**	**24,634**	**119,189**
Summary of significant accounting policies (Note 1)				

As per our report of even date.

FOR PRYD & Associates
ICAI Firm Registration Number : 011626 N
Chartered Accountants

PRYD & ASSOCIATES New Delhi 011626N Chartered Accountants

PM Mittal
Partner
Membership Number: 094667

New Delhi, India
Date:

For and on behalf of the Board of Directors
of HCL Technologies (Thailand) Limited

Sundaram Sridharan
Director

Raghu Raman Lakshmanan
Director

Date:

ORGANIZATION AND NATURE OF OPERATIONS

HCL Technologies (Thailand) Limited (hereinafter referred to as the 'Company') is primarily engaged in business of development, installation and implementation of software and management services. The Company was incorporated in Thailand on 10 June 2015, having its registered office at 89, AIA Capital Center, 20/F, Room 2005-2007, Ratchadapisek Road, Kwaeng Dindaeng, Bangkok, 10400.

The financial statements for the year ended 31st March, 2018 were approved and authorized for issue by the Board of Directors on__________

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) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). These financial statements have been prepared under the historical cost convention on an accrual and going concern basis except certain assets and liabilities which have been measured at fair value (refer accounting policy regarding financial instruments).

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

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

The functional currency of the Company is Thai Baht (THB). The translation from THB to ₹ is unaudited and is included solely for the convenience of readers in India and has been performed using rate of THB 1 = ₹ 2.08337, 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, THB at that or any other rate.

b) Use of estimates

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

c) Leases

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset or the lease term.

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Company as a lessor

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

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

d) Inventories

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

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

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.

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.

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

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

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

Category of asset	*Life (in years)*
Computer, Laptops & Networking equipment	4-5
Office Equipment	5
Furniture and Fitting	7
Leasehold Improvement Equipment	Over the lease period or useful life of the asset, whichever is lower
Leasehold Improvement Furniture and Fixture	Over the lease period or useful life of the asset, whichever is lower

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) Intangible assets

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

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

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

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

Asset description	Asset life (in years)
Software	2-3

g) 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:

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

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

c) Cost approach – Replacement cost method.

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

h) **Revenue Recognition**

Contracts involving provision of services

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

Time-and-material contracts

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

Fixed Price contracts

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

Revenue from technology integration and complex network building contracts is recognized in accordance with the Percentage-Of-Completion (POC) method. Under the POC method, progress towards completion is measured based on either achievement of specified contract milestones, cost incurred as a proportion of estimated total cost or other measures of progress when available. If circumstances arise that change the original estimates of revenues, costs, or extent of progress towards completion, revisions are made to the estimates. These revisions may result in increase or decrease in estimated revenues or costs, and such revisions are reflected in income in the year in which the circumstances that gave rise to the revision become known to the management. If at any time these estimates indicate that the contract will be unprofitable, the entire estimated loss for the remainder of the contract is recorded immediately.

Revenue related to other fixed price contracts is recognized in accordance with the Percentage of Completion method (POC). The cost incurred on the projects is used to measure progress towards completion. Costs are recorded as incurred over the contract period. Any revision in cost to complete would result in increase or decrease in revenue and income and such changes are recorded in the year in which they are identified. Provisions for estimated losses, if any, on contracts-in-progress are recorded in the period in which such losses become probable based on the current cost estimates. Contract losses are determined to be the amount by which the estimated total cost to complete exceeds the estimated total revenue that will be generated by the contract and are included in Cost of services and classified in other accrued liabilities.

In arrangements involving sharing of customer revenues, revenue is recognized when the amounts are known and the right to receive is established. Incremental revenue from existing contracts arising on future sales to the customers is recognized when it is earned and collectability is reasonably assured. Revenues from unit-priced contracts are recognized as transactions are processed, based on objective measures of output.

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

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

Revenue from financing leases is recognized when risk of loss has been transferred to the client and there are no unfulfilled obligations that affect the final acceptance of the arrangement by the client. Revenue from operating leases is accounted on a straight-line basis as service revenue over the rental period. Interest attributable to financing leases included therein is recognized on an accrual basis using the effective interest method.

Interest Income

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

i) Foreign currency transactions

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

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

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

j) Income Taxes

Income tax expense comprises current and deferred income tax.

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

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable company and the same taxation authority.

k) Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Financial assets

All financial assets are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value measured on initial recognition of financial asset. Purchase and sale of financial assets are accounted for at trade date.

Financial instruments at amortized cost

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

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

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

Financial instrument at Fair Value through Other Comprehensive Income (OCI)

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

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent solely payments of principal and interest. Financial instruments included within the OCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from OCI to statement of profit and loss.

Financial instrument at Fair Value through Profit and Loss

Any financial instrument, which does not meet the criteria for categorization at amortized cost or at fair value through other comprehensive income, is classified at fair value through profit and loss. Financial instruments included in the fair value through profit and loss category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investments

Equity investments in subsidiaries are measured at cost.

Derecognition of financial assets

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

Impairment of financial assets

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

ii. Financial liabilities

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade payables, borrowings including bank overdrafts and other payables. After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in the statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis to realize the assets and settle the liabilities simultaneously.

l) **Earnings 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 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. used at fair value (i.e. the average market value of the outstanding shares). Dilutive potential equity shares are deemed converted as at the beginning of the year, unless issued at a later date. Dilutive potential equity shares are determined independently for each year presented.

m) **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.

n) **Retirement and other Employee benefits**

The Company has implemented a public insurance scheme for all employees, which includes health insurance, welfare pension insurance and worker's accident compensation insurance.

The contribution to the public insurance scheme, a defined contribution plan, is made in accordance with the local statutory requirements and charged to the statement of profit and loss for every period, when the contribution is due.

Compensated absences: The employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the Balance Sheet date. The expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

o) **Cash and short-term deposits**

Cash and short-term deposits in the balance sheet comprise cash in banks and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

p) **Contingent liabilities**

A contingent liability is a possible obligation that may arise from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

q) **Recently issued accounting pronouncements**

On 28 March 2018, the Ministry of Corporate Affairs (MCA), notified Companies (Indian Accounting Standards) (Amendments) Rules, 2018, amending the following standards:

Appendix B to Ind AS 21, 'Foreign Currency Transactions and Advance Consideration'

The amendment clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognizes the nonmonetary asset or non-monetary liability arising from the advance consideration.

The Appendix is effective for annual periods beginning on or after 1 April 2018. However, since the Company's current practice is in line with the Interpretation, the Company does not expect any effect on its financial statements.

Ind AS 115, Revenue from Contract with Customers

Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard Ind AS 18 Revenue, Ind AS 11 Construction Contracts. The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The core principle of Ind AS 115 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Under Ind AS 115, an entity recognizes revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The standard permits two possible methods of transition:

o Retrospective approach-Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

o Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

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

HCL Technologies (Thailand) Limited
Notes to financial statements for the year ended 31 March 2018
(All amounts in thousands, except share data and as stated otherwise)

2.1 Notes to financial statements

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

	Gross block				Accumulated depreciation / amortization				Net block	
	As at 1 April 2017	Additions	Deletions/ Adjustments	As at 31 March 2018	As at 1 April 2017	Charge for the period	Deletions/ Adjustments	As at 31 March 2018	As at 31 March 2018	As at 31 March 2017
	(THB)	(THB)	(THB)	(THB)	(THB)	(THB)	(THB)	(THB)	(THB)	(THB)
Computers	2,337	3,312	-	5,649	486	1,167	-	1,653	3,996	1,851
2.1 Property, Plant and Equipment	**2,337**	**3,312**	-	**5,649**	**486**	**1,167**	-	**1,653**	**3,996**	**1,851**

The changes in the carrying value for the year ended 31 March 2017

	Gross block				Accumulated depreciation / amortization				Net block	
	As at 1 April 2016	Additions	Deletions/ Adjustments	As at 31 March 2017	As at 1 April 2016	Charge for the period	Deletions/ Adjustments	As at 31 March 2017	As at 31 March 2017	As at 31 March 2016
	(THB)	(THB)	(THB)	(THB)	(THB)	(THB)	(THB)	(THB)	(THB)	(THB)
Computers	-	2,337	-	2,337	-	486	-	486	1,851	-
2.1 Property, Plant and Equipment	-	**2,337**	-	**2,337**	-	**486**	-	**486**	**1,851**	-

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

	Gross block				Accumulated depreciation / amortization				Net block	
	As at 1 April 2017	Additions	Deletions/ Adjustments	As at 31 March 2018	As at 1 April 2017	Charge for the period	Deletions/ Adjustments	As at 31 March 2018	As at 31 March 2018	As at 31 March 2017
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
Computers	4,869	6,901	-	11,770	1,012	2,431	-	3,443	8,326	3,857
2.1(A) Property, Plant and Equipment	**4,869**	**6,901**	-	**11,770**	**1,012**	**2,431**	-	**3,443**	**8,326**	**3,857**
Software	-	-	-	-	-	-	-	-	-	-
2.1(B) Other Intangible assets	-	-	-	-	-	-	-	-	-	-

(All amounts in thousands, except share data and as stated otherwise)

2.2 Other non- current assets

	As at		
	31 March 2018	31 March 2017	31 March 2018
	(THB)	(THB)	(₹)
Unsecured considered good unless otherwise stated			
Others			
Deposits	33	33	69
Prepaid expenses	8	5	16
	41	38	85

2.3 Inventories

	As at		
	31 March 2018	31 March 2017	31 March 2018
	(THB)	(THB)	(₹)
Inventories			
Stock in trade	123	228	256
	123	228	256

2.4 Trade Receivable

	As at		
	31 March 2018	31 March 2017	31 March 2018
	(THB)	(THB)	(₹)
Unsecured considered good (refer note below)	51,393	37,043	107,070
Unsecured considered doubtful	(102)	-	(212)
	51,291	37,043	106,858
Provision for doubtful receivables	102	-	212
	51,393	37,043	107,070

Note: Includes receivables from related parties amounting to THB 9.03 mn (31 March 2017, THB 4.37 mn)

2.5 Cash and cash equivalent

	As at		
	31 March 2018	31 March 2017	31 March 2018
	(THB)	(THB)	(₹)
Balance with banks			
- in current accounts	57,209	24,634	119,188
	57,209	24,634	119,188

2.6 Financial Assets - Loans

	As at		
	31 March 2018	31 March 2017	31 March 2018
	(THB)	(THB)	(₹)
Current			
Loans and advances to employees	205	109	427
	205	109	427

2.7 Other financial assets

	As at		
	31 March 2018	31 March 2017	31 March 2018
	(THB)	(THB)	(₹)
Current			
Unbilled Revenue	2,851	-	5,939
Unbilled revenue-related parties (refer note 2.25(d))	-	1,447	-
	2,851	1,447	5,939

2.8 Other current assets

	As at		
	31 March 2018	31 March 2017	31 March 2018
	(THB)	(THB)	(₹)
Others			
TDS certificate awaited	2,266	388	4,720
Deferred cost - related parties (refer note 2.25(d))	686	-	1,429
Prepaid expenses	225	162	470
Deposits	11	11	23
	3,188	561	6,642

(All amounts in thousands, except share data and as stated otherwise)

2.9 Share Capital

	As at		
	31 March 2018 (THB)	31 March 2017 (THB)	31 March 2018 (₹)
Authorized 196,300 (previous year 196,300) equity shares of THB 100 each	19,630	19,630	40,897
Issued, subscribed and fully paid up 196,300 (previous year 196,300) equity shares of THB 100 each, fully paid up.	19,630	19,630	40,897

Terms/ rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of THB 100/-. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at			
	31 March 2018		31 March 2017	
	No. of shares	Amount (THB)	No. of shares	Amount (THB)
Number of shares at the beginning	196,300	19,630	196,300	19,630
Add: Shares issued during the year	-	-	-	-
Number of shares at the end	196,300	19,630	196,300	19,630

Shares held by holding/ultimate holding company and or their subsidaries/asociates

Out of equity shares issued by the Company shares held by its holding company, are as below:

Particulars	As at			
	31 March 2018		31 March 2017	
	No. of Shares	Amount (THB)	No. of Shares	Amount (THB)
Equity shares of THB 100 each				
Axon Group PLC	1	0	1	0
HCL EAS Limited	1	0	1	0
HCL Technologies UK	196,298	19,630	196,298	19,630

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

Name of the shareholder	As at			
	31 March 2018		31 March 2017	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of THB 100 each fully paid				
HCL Technologies UK	196,298	99.999%	196,298	99.999%

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

There are no bonus shares issued, no shares issued other than cash and no shares bought back during five years immediately preceding the reporting date.

Capital management

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

HCL Technologies (Thailand) Limited

Notes to financial statements for the year ended 31 March 2018

(All amounts in thousands, except share data and as stated otherwise)

2.10 Provisions

	As at		
	31 March 2018	31 March 2017	31 March 2018
	(THB)	(THB)	(₹)
Current			
Provision for employee benefits			
Provision for leave benefits	384	159	801
	384	159	801

2.11 Trade payables

	As at		
	31 March 2018	31 March 2017	31 March 2018
	(THB)	(THB)	(₹)
Trade payables	1,110	158	2,313
Trade payables-related parties (refer note 2.25(d))	74,882	43,700	156,007
	75,992	43,858	158,320

2.12 Other financial liabilities

	As at		
	31 March 2018	31 March 2017	31 March 2018
	(THB)	(THB)	(₹)
Current			
Others			
Liabilities for expenses	4,169	1,386	8,685
Liabilities for expenses-related parties (refer note 2.25(d))	2,950	137	6,147
	7,119	1,523	14,832

2.13 Other current liabilities

	As at		
	31 March 2018	31 March 2017	31 March 2018
	(THB)	(THB)	(₹)
Revenue received in advance	686	-	1,429
Accrued salaries and benefits	-	-	
Other employee costs	289	44	601
Others	-	-	
Withholding and other taxes payable	1,424	223	2,967
Others	-	83	-
	2,399	350	4,997

HCL Technologies (Thailand) Limited

Notes to financial statements for the year ended 31 March 2018

(All amounts in thousands, except share data and as stated otherwise)

2.14 Revenue from operations

	Year ended 31 March 2018 (THB)	Year ended 31 March 2017 (THB)	Year ended 31 March 2018 (₹)
Sale of services	138,206	51,934	287,935
Sale of hardware and software	567	561	1,182
	138,773	52,495	289,117

2.15 Other income

	Year ended 31 March 2018 (THB)	Year ended 31 March 2017 (THB)	Year ended 31 March 2018 (₹)
Exchange differences (net)	-	409	-
	-	409	-

2.16 Changes in inventories of traded goods

	Year ended 31 March 2018 (THB)	Year ended 31 March 2017 (THB)	Year ended 31 March 2018 (₹)
Opening stock	228	-	475
Closing stock	123	228	256
	105	(228)	219

2.17 Employee benefits expense

	Year ended 31 March 2018 (THB)	Year ended 31 March 2017 (THB)	Year ended 31 March 2018 (₹)
Salaries, wages and bonus	17,469	8,612	36,394
Contribution to legal welfare and other funds	106	74	222
	17,575	8,686	36,616

2.18 Finance cost

	Year ended 31 March 2018 (THB)	Year ended 31 March 2017 (THB)	Year ended 31 March 2018 (₹)
Bank charges	77	25	160
	77	25	160

2.19 Other expenses

	Year ended 31 March 2018 (THB)	Year ended 31 March 2017 (THB)	Year ended 31 March 2018 (₹)
Rent	181	75	377
Power and fuel	11	-	22
Repairs and maintenance	-	-	
- Others	121	51	252
Communication costs	4	-	9
Travel and conveyance	183	90	380
Business promotion	6	-	12
Legal and professional charges	4,709	1,289	9,810
Audit Fees	333	308	694
Rates and taxes	6,276	64	13,076
Recruitment, training and development	-	22	-
Provision for doubtful debts/ bad debts written off	101	-	212
Exchange differences (net)	1,670	-	3,479
Miscellaneous expenses	201	115	419
	13,796	2,014	28,742

HCL Technologies (Thailand) Limited

Notes to financial statements for the year ended 31 March 2018

(All amounts in thousands, except share data and as stated otherwise)

2.20 Income taxes

Particulars	Year ended 31 March 2018 (THB)	Year ended 31 March 2017 (THB)	Year ended 31 March 2018 (₹)
Current income tax charge	4,344	416	9,051
Deferred tax charge (credit)	(674)	163	(1,405)
	3,670	579	7,646

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

Particulars	Year ended 31 March 2018 (THB)	Year ended 31 March 2017 (THB)	Year ended 31 March 2018 (₹)
Profit before income tax	15,205	1,952	31,677.03
Statutory tax rate	20.00%	20.00%	20.00%
Expected tax expense	3,041	390	6,335
Permanent differences	-	12	
Additional provision created in books	-	92	-
Non-taxable other income	1,255	-	2,615.29
Provision created for prior year	(541)	-	(1,126.23)
Others	(86)	7	(178.43)
Reversal of prior period provision	-	78	-
Total taxes	3,670	579	7,646
Effective income tax rate	24.14%	29.67%	24.14%

Components of deferred tax assets and liabilities as on 31 March 2018

Amount in (THB)

Particulars	Opening balance	Recognized in profit and loss	Closing balance
Deferred tax assets			
Accrued employee costs	41	77	118
Depreciation and amortization	-	7	7
Others	203	590	793
Gross deferred tax assets (A)	243	674	918
Deferred tax liabilities			
Others	183	-	183
Gross deferred tax liabilities (B)	183	-	183
Net deferred tax assets (A-B)	60	674	734

Components of deferred tax assets and liabilities as on 31 March 2018

Amount in (₹)

Particulars	Opening balance	Recognized in profit and loss	Closing balance
Deferred tax assets			
Business losses	-	-	-
Provision for doubtful debts	-	-	-
Accrued employee costs	85	160	245
Depreciation and amortization	-	15	15
Others	423	1,230	1,652
Net deferred tax assets	507	1,405	1,912
Deferred tax liabilities			
Others	382	-	382
Gross deferred tax liabilities (B)	382	-	382
Net deferred tax assets (A-B)	125	1,405	1,530

(All amounts in thousands, except share data and as stated otherwise)

2.21 Earnings Per Share (EPS)

	Year ended		
	31st March 2018	31st March 2017	31st March 2018
	(THB)	(THB)	(₹)
Net profit (loss) as per Statement of profit and loss for computation of EPS	11,535	1,373	24,031
Weighted average number of equity shares outstanding in calculating basic and dilutive EPS	196,300	196,300	196,300
Nominal value of equity shares	100	100	208
Profit/(loss) per equity share			
- Basic and Diluted	58.76	6.99	122.43

2.22 Leases

i) Operating Leases: In case of assets taken on lease

The Company leases office spaces and accommodation for its employees under operating lease agreements. The lease rental expense recognized in the statement of profit and loss for the year is THB 180,745 (31 March 2017 THB 74,698), 31 March 2018 ₹ 376,558.

Future minimum lease payments and the payment profile of non-cancellable operating leases are as follows:

Particulars	As at		
	31 March 2018	31 March 2017	31 March 2018
	THB	THB	(₹)
Not later than one year	185	185	385
Later than one year but not later than five years	169	354	353
Later than five years	-	-	-
	354	539	738

2.23 Segment reporting

The company's operating business are organized and managed according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the company operate.

In the opinion of the management there is no seperable segment as envisaged in the Ind As-108 "Operating Segments" notified under the companies (Indian Accounting Standards) Rules,2015, (as amended). Accordingly no disclosure for segment have been included in these financial statements.

(All amounts in thousands, except share data and as stated otherwise)

2.24 Financial assets and liabilities

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

Particulars	Amortized cost	Total carrying value	Amortized cost	Total carrying value
	(THB)	(THB)	(₹)	(₹)
Financial assets				
Trade receivables	51,393	51,393	107,070	107,070
Cash and cash equivalents	57,209	57,209	119,188	119,188
Loans	205	205	427	427
Others	2,851	2,851	5,939	5,939
Total	111,658	111,658	232,624	232,624
Financial liabilities				
Trade payables	75,992	75,992	158,320	158,320
Others	7,119	7,119	14,832	14,832
Total	83,112	83,112	173,153	173,153

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

Particulars	Amortized cost	Total carrying value
	(THB)	(THB)
Financial assets		
Trade receivables	37,043	37,043
Cash and cash equivalents	24,634	24,634
Loans	109	109
Others	1,447	1,447
Total	63,232	63,232
Financial liabilities		
Trade payables	43,858	43,858
Others	1,523	1,523
Total	45,379	45,379

(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 curriences other than foreign curreny. An insignificant portion of the Company's revenue is in other foreign currency while a large protion of costs are in THB . The fluctuation in exchange rates in respect to THB may not have potential impact on the statement fo profit and loss and equity.

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.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's investments are primarily in fixed rate interest bearing investments. Hence the Company is not significantly exposed to interest rate risk.

Credit risk

Financial instruments that potentially subject the Company to concentration of credit risk consist principally of cash and bank balances, trade receivables, unbilled revenue, finance lease 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.

2.25 Related party transactions

a) Related parties where control exists

Holding Company
HCL Technologies UK Limited

Ultimate Holding Company
HCL Technologies Limited, India

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

Ultimate Holding company
HCL Technologies Limited, India

Holding company
HCL Technologies UK Limited

Fellow subsidiaries
HCL Japan Limited
HCL (Brazil) Tecnologia da informacao Ltda.
HCL Hong Kong SAR Limited
HCL Technologies Ltd. Ogranizacni slozka(Czech Branch)
HCL Technologies Limited- Finland Branch
HCL Technologies B.V.
HCL Australia Services Pty. Limited
HCL Technologies (Shanghai) Limited
HCL America Inc.
HCL Great Britain Limited
Axon Solutions (Canada) Inc.-SD
HCLAxon Solutions Beijing
HCL Technologies Limited- UAE Branch

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

	Revenue	Operating and other expenses
For the year ended 31 March 2018(THB)		
Ultimate holding company	6,523	69,033
Holding company	-	1,593
Fellow Subsidiaries	25,151	8,375
Total	**31,674**	**79,001**
For the year ended 31 March 2017(THB)		
Ultimate holding company	(2,304)	25,791
Holding company	-	3,587
Fellow Subsidiaries	12,079	11,216
Total	**9,775**	**40,594**
For the year ended 31 March 2018(₹)		
Ultimate holding company	14	144
Holding company	-	3
Fellow Subsidiaries	52	17
Total	**66**	**164**

d) Outstanding balances

	Trade Receivables & other receivables	Unbilled Revenue	Trade Payables	Liablity For Expenses	Deferred Cost
For the year ended 31 March 2018(THB)					
Ultimate holding company	462	-	50,440	2,950	686
Holding company	-	-	5,158	-	-
Fellow Subsidiaries	8,565	-	19,284	-	-
Total	**9,027**	**-**	**74,882**	**2,950**	**686**
For the year ended 31 March 2017(THB)					
Ultimate holding company	464	646	29,583	-	-
Holding company	-	-	3,481	-	-
Fellow Subsidiaries	3,903	801	10,636	137	-
Total	**4,367**	**1,447**	**43,700**	**137**	**-**
For the year ended 31 March 2018(₹)					
Ultimate holding company	963	-	105,086	6,147	1,429
Holding company	-	-	10,745	-	-
Fellow Subsidiaries	17,845	-	40,176	-	-
Total	**18,808**	**-**	**156,007**	**6,147**	**1,429**

3. Previous year comparatives

The Company has changed its presentation from "` in absolute" to " in thousands" and accordingly, amounts less than 0.50 thousands are rounded off to Nil. The figures of previous year have been re-arranged/reclassified to conform to current year presentation.

As per our report of even date

FOR PRYD & Associates
ICAI Firm Registration Number : 011626 N
Chartered Accountants

PRYD & ASSOCIATES New Delhi 011626N Chartered Accountants

PM Mittal
Partner
Membership Number: 094667

New Delhi, India
Date: 10-08-2018

For and on behalf of the Board of Directors of HCL Technologies (Thailand) Limited

Sundaram Sridharan
Director

Date:

Raghu Raman Lakshmanan
Director