HCL Technologies Greece Single Member P.C

Financial Statements

For the year ended 31 March 2020

HCL Technologies Greece Single Member P.C

Balance Sheet as at 31 March 2020

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

	Note No.	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020 Refer Note 1(a)
		(EUR)	(EUR)	(₹)
I. ASSETS				
(1) Non-current assets				
(a) Property, Plant and Equipment	**2.1(a)**	203	124	16,798
(b) Capital work in progress		14	-	1,173
(c) Goodwill	**2.1(b)**	80	-	6,626
(d) Other intangible assets	**2.1(c)**	46	-	3,845
(e) Deferred Tax Assets (Net)	**2.15**	62	12	5,095
(2) Current assets				
(a) Inventories	**2.2**	49	15	4,026
(b) Financial Assets				
(i) Trade receivables	**2.3**	1,019	1,743	84,324
(ii) Cash and cash equivalents	**2.4**	344	856	28,428
(iii) Other financial assests	**2.5**	25	75	2,107
(c) Other current assets	**2.6**	9	7	709
TOTAL ASSETS		**1,851**	**2,832**	**153,131**
II. EQUITY				
(a) Equity Share Capital	**2.7**	441	441	36,486
(b) Other Equity		193	165	15,985
III. LIABILITIES				
(1) Current liabilities				
(a) Financial Liabilities				
(i) Trade payables	**2.8**	382	2,095	31,626
(ii) Other financial liabilities	**2.9**	303	5	25,055
(b) Other current liabilities	**2.10**	520	97	42,981
(c) Current Tax Liabilities (Net)		12	29	998
TOTAL EQUITY AND LIABILITIES		**1,851**	**2,832**	**153,131**
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 B S R & CO. LLP
Chartered Accountants
ICAI Firm Registration Number : 101248W/W-100022

Rakesh Dewan

Rakesh Dewan
Partner
Membership Number : 092212

Gurugram, India
Date : 05 September 2020

For and on behalf of the Board of Directors
of HCL Technologies Greece Single Member P.C

Ramachandran Sundararajan

Ramachandran Sundararajan
Director

Date : 05 September 2020

HCL Technologies Greece Single Member P.C
Statement of Profit and Loss for the year ended 31 March 2020
(All amounts in thousands except share data and as stated otherwise)

		Note No.	Year ended 31 March 2020 (EUR)	Year ended 31 March 2019 (EUR)	Year ended 31 March 2020 Refer Note 1(a) (₹)
I	**Revenue**				
	Revenue from operations	**2.11**	1,255	2,245	103,814
	Total revenue		**1,255**	**2,245**	**103,814**
					-
II	**Expenses**				
	Purchase of stock in trade		124	285	10,260
	Changes in stock in trade	**2.12**	(34)	(7)	(2,788)
	Finance costs	**2.13**	6	3	522
	Depreciation and amortisation expense	**2.1**	70	41	5,777
	Outsourcing costs		982	1,721	81,239
	Other expenses	**2.14**	64	49	5,284
	Total expenses		**1,212**	**2,092**	**100,294**
III	**Profit before tax**		**43**	**153**	**3,520**
IV	**Tax expense**				
	Current tax		**64**	54	5,254
	Deferred tax credit	**2.15**	**(49)**	(8)	(4,042)
	Total tax expense		15	46	1,212
V	**Profit for the year**		**28**	**107**	**2,308**
VI	**Other comprehensive income**				
	Items that will not be reclassified to profit / (loss)		**-**	-	-
	Items that will be reclassified subsequently to profit / (loss)		**-**	-	-
VII	**Total Comprehensive income for the year**		**28**	**107**	**2,308**
	Earnings per equity share of EUR 1 each	**2.17**			
	Basic		0.06	0.24	5.24
	Diluted		0.06	0.24	5.24
	Summary of significant accounting policies	**1**			

The accompanying notes are an integral part of the financial statements

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Ramachandran Sundararajan

Ramachandran Sundararajan
Director

Date : 05 September 2020

HCL Technologies Greece Single Member P.C
Statement of Changes in Equity for the year ended 31 March 2020
(All amounts in thousands except share data and as stated otherwise)

Amount in EUR

	Equity share capital		Other Equity	Total Equity
	Number of shares	Share capital	Reserves and Surplus	
Balance as at 1 April 2018	**441,000**	**441**	**58**	**12**
Profit for the year	-	-	107	107
Other comprehensive income / (loss)	-	-	-	-
Total comprehensive income for the year	-	-	107	107
Balance as at 31 March 2019	**441,000**	**441**	**165**	**165**
Balance as at 1 April 2019	**441,000**	**441**	**165**	**165**
Profit for the year	-	-	28	28
Other comprehensive income / (loss)	-	-	-	-
Total comprehensive income for the year	-	-	28	28
Balance as at 31 March 2020	**441,000**	**441**	**193**	**193**

Amount in (₹)

	Equity share capital		Other Equity	Total Equity
	Number of shares	Share capital	Reserves and Surplus	
Balance as at 1 April 2019	**441,000**	**36,486**	**13,677**	**13,677**
Profit for the year	-	-	2,308	2,308
Other comprehensive income / (loss)	-	-	-	-
Total comprehensive income for the year	-	-	2,308	2,308
Balance as at 31 March 2020	**441,000**	**36,486**	**15,985**	**15,985**

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.

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HCL Technologies Greece Single Member P.C

Ramachandran Sundararajan

Ramachandran Sundararajan
Director

Date : 05 September 2020

HCL Technologies Greece Single Member P.C
Statement of cash flow for the year ended 31 March 2020
(All amounts in thousands except share data and as stated otherwise)

	Year ended 31 March 2020 (EUR)	Year ended 31 March 2019 (EUR)	Year ended 31 March 2020 Refer Note 1(a) (₹)
A. Cash flows from operating activities			
Profit before tax	43	153	3,520
Adjustment for:			
Depreciation and amortisation expense	70	41	5,777
Provision for doubtful debts	0	7	30
Operating profit before working capital changes	**113**	**201**	**9,327**
Movement in Working Capital			
(Increase)/decrease in trade receivables	724	(1,455)	59,939
Increase in inventories	(34)	(7)	(2,788)
(Increase)/decrease in other financial assets and other assets	48	(78)	4,003
Increase/ (decrease) in trade payables	(1,712)	1,758	(141,745)
Increase/ (decrease) in other financial liabilities	298	(7)	24,621
Increase in provisions and other liabilities	408	62	33,784
Cash used in operations	**(155)**	**474**	**(12,859)**
Direct taxes paid (net of refunds)	(81)	(38)	(6,687)
Net cash used in operating activities (A)	**(236)**	**436**	**(19,546)**
B. Cash flows from investing activities			
Purchase of property,plant and equipment, including capital work in progress and capital advances	(276)	(106)	(22,820)
Net cash used in investing activities (B)	**(276)**	**(106)**	**(22,820)**
Net increase / (decrease) in cash and cash equivalents (A+B)	(512)	330	(42,366)
Cash and cash equivalents at the beginning of the year	856	526	70,794
Cash and cash equivalents at the end of the year (refer note 2.4)	**344**	**856**	**28,428**
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 B S R & CO. LLP
ICAI Firm Registration Number : 101248W/W-100022
Chartered Accountants

Rakesh Dewan

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Partner
Membership Number : 092212

Gurugram, India
Date : 05 September 2020

For and on behalf of the Board of Directors
HCL Technologies Greece Single Member P.C

Ramachandran Sundararajan

Ramachandran Sundararajan
Director

Date : 05 September 2020

ORGANIZATION AND NATURE OF OPERATIONS

HCL Technologies Greece Single Member P.C. (hereinafter referred to as 'The 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 30 September 2014 in Greece with Registration Number 131925901000.

The financial statements for the year ended 31 March, 2020 were approved and authorized for issue by the Board of Directors on 05 September 2020.

1. Summary of Significant Accounting Policies

a) Basis of preparation

The financial statements of the Company have been prepared in accordance with recognition and measurement principle laid down in Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 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. The company is not domiciled in India and hence was not incorporated under Companies Act, 2013 or under any previous Company law in India. These financial statements have been prepared on the request of the Ultimate Holding Company to comply with the financial reporting requirement in India.

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

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

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle of 12 months. The statement of cash flows has been prepared under indirect method.

The functional currency of the Company is EURO. The translation from EUR to ₹ is included solely for the convenience of readers in India and has been performed using rate of EUR 1 = ₹ 82.7352/-, 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 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 intangible asset, impairment of goodwill, costs expected to be incurred to complete performance under fixed price projects, allowance for uncollectible accounts receivable, 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.

In view of pandemic relating to COVID-19, the company has considered and taken into account internal and external information and has performed sensitivity analysis based on current estimates in assessing the recoverability of receivables, unbilled receivables, goodwill, intangible assets, other financial assets and impact on revenues and costs. However, the actual impact of COVID-19 on the company's financial statements may differ from that estimated and the company will continue to closely monitor any material changes to future economic conditions.

c) 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.

d) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is the aggregate of the consideration transferred measured at fair value at the acquisition date and the amount of any non-controlling interest in the acquiree. For each business combination, the Company measures the non-controlling interest in the acquiree at fair value. Acquisition related costs are expensed as incurred.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as financial liability is measured at fair value with changes in fair value recognized in the statement of profit and loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the excess is recognized as capital reserve after reassessing the fair values of the net assets.

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.

Expenses on existing property, plant and equipment, including day-to-day repairs, maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the year 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 before 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 following assets for computing depreciation are as follows: -

	Life (in years)
Computer	3-5

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) 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 amortization and accumulated impairment losses if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are amortized over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting year. 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 amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization 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 and loss when the asset is derecognized.

The intangible assets are amortized over the estimated useful life of the assets as mentioned below.

	Life (in years)
Customer relationships	10

g) Impairment of non-financial assets

Goodwill

Goodwill is tested annually on March 31, for impairment, or sooner whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the company cash generating units (CGU) expected to benefit from the synergies arising from the business combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable

amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU. Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU, pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill recognized in the statement of profit and loss is not reversed in the subsequent period.

Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value in- use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the asset exceeds the estimated recoverable amount of the asset.

h) 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 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.

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

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.

i) Revenue Recognition

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. A contract is accounted when it is legally enforceable through executory contracts, approval and commitment from all parties, the rights of the parties are identified, payment terms are defined, the contract has commercial substance and collectability of consideration is probable.

Time-and-material contracts/ volume based and transaction based

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

Fixed Price contracts

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

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

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

Revenue from product sales are shown net of applicable taxes, 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.

j) 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.

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.

k) Taxation

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.

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.

l) **Financial Instruments**

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

i. Financial assets:

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

Cash and cash equivalent

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

Financial instruments at amortized cost

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

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

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

Derecognition of financial assets

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

Impairment of financial assets

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

ii. Financial liabilities -

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

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

After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method except for deferred consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. Gains and losses are recognized in the statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Derecognition

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

Offsetting of financial instruments

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

m) Earnings per share

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 year.

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

n) Provisions and contingent liabilities

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.

The company uses significant judgement to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognized nor disclosed in the financial statements.

o) 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.

2. ACQUISITIONS

Acquisition of Select IBM Software products

On 7 December 2018, HCL Group had signed a definitive agreement to acquire business relating to select IBM software products, the acquisition though has been consummated effective 30th June 2019.

The HCL Group has acquired these products for security, marketing, commerce, and digital solutions along with certain assumed liabilities and in scope employees. With this HCL Group gets 100% control on the assets being acquired and has also taken full ownership of the research and development, sales, marketing, delivery and support for these products. Through this acquisition, the HCL Group intends to enhance its products and

platforms offering to customers across a wide range of industries and markets. IBM will pay the Company for the assumed liabilities as related services are rendered, based on an agreed basis.

The company has paid EUR 66,000 till 30th June 2019. EUR 66,000 is payable after one-year end as per the agreement. These payables have been fair valued at EUR 64,377.

HCL Technologies Greece Single Member P.C
Notes to financial statements for the year ended 31 March 2020
(All amounts in thousands except share data and as stated otherwise)

2.1 (a) Property, plant and equipment
The changes in the carrying value for the year ended 31 March 2020

	Computers	Computers
	(EUR)	(₹)
Gross block as at 1 April 2019	189	15,609
Additions	146	12,068
Gross block as at 31 March 2020	335	27,677
Accumulated depreciation as at 1 April 2019	65	5,418
Charge for the year	66	5,461
Accumulated depreciation as at 31 March 2020	131	10,879
Net block as at 31 March 2020	203	16,798

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

	Computers
	(EUR)
Gross block as at 1 April 2018	83
Additions	106
Gross block as at 31 March 2019	189
Accumulated depreciation as at 1 April 2018	24
Charge for the year	41
Accumulated depreciation as at 31 March 2019	65
Net block as at 31 March 2019	124

2.1(b) Goodwill

The changes in the carrying value for the year ended 31 March 2020

	Goodwill on acquisition of business	Total (EUR)	Total (₹)
Gross block as at 1 April 2019	-	-	-
Additions	80	80	6,626
Gross block as at 31 March 2020	**80**	**80**	6,626

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the cash generating units (CGU) , which benefit from the synergies of the acquisition.

Goodwill is tested for impairment at least annually. Impairment is recognised, if present value of future cash flows is less than the carrying value of goodwill. Future cash flows are forecast for 5 years & then on perpetuity on the basis of certain assumptions which includes revenue growth, earnings before interest and taxes, taxes, capital outflow and working capital requirement. The assumptions are taken on the basis of past trends and management estimates and judgement. Future cash flows are discounted with "Weighted Average Cost of Capital". The key assumptions are as follows:

	As at	
	31 March 2020	31 March 2019
Growth rate (%)	Upto 5%	-
Terminal growth rate (%)	1%	-
Discount rate (%)	1.83%	-

As at 31 March 2020 the estimated recoverable amount of the CGU exceeded its carrying amount and accordingly, no impairment was recognized. An analysis of the sensitivity of the computation to a change in key assumptions based on reasonable probability did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

The company tests goodwill for impairment annually, or more frequently when there is an indication for impairment. The company has performed its annual goodwill impairment testing considering the likely impact of COVID-19 on future cash flows, discount rates, growth rates, earnings before interest and taxes, including terminal growth rate, along with subjecting these variables to sensitivity analysis considering impacted industry verticals and geographies.

2.1(c) Other Intangible assets

The changes in the carrying value for the year ended 31 March 2020

	Customer Relationship	Total (EUR)	Total (₹)
Gross block as at 1 April 2019	-	-	-
Additions	50	50	4,161
Gross block as at 31 March 2020	**50**	**50**	**4,161**
Accumulated depreciation as at 1 April 2019	-	-	-
Charge for the year	4	4	316
Accumulated depreciation as at 31 March 2020	**4**	**4**	**316**
Net Block as at 31 March 2020	**46**	**46**	**3,845**

The Company tests intangible assets for impairment when there is an indication for impairment. The Company has performed an evaluation of the amortization period and method for its intangible assets, along with intangible assets impairment testing considering the likely impact of COVID-19 on future cash flows and growth rates, along with subjecting these variables to sensitivity analysis considering impacted industry verticals and geographies.

HCL Technologies Greece Single Member P.C
Notes to financial statement for the year ended 31 March 2020
(All amounts in thousands except share data and as stated otherwise)

2.2 Inventories

	As at		
	31 March 2020	31 March 2019	31 March 2020
	(EUR)	(EUR)	(₹)
Stock in trade	49	15	4,026
	49	**15**	**4,026**

2.3 Trade Receivable

	As at		
	31 March 2020	31 March 2019	31 March 2020
	(EUR)	(EUR)	(₹)
Current			
Unsecured considered good	1,019	1,743	84,324
Trade Receivables which have significant increase in credit Risk	7	19	607
	1,026	1,763	84,931
Impaired allowance for bad and doubtful debts	(7)	(19)	(607)
	1,019	**1,743**	**84,324**

Note:- Trade Receivable includes receivable from related party amouting to EUR 656 (Previous Year EUR 1,498) refer note no 2.18

2.4 Cash and cash equivalents

	As at		
	31 March 2020	31 March 2019	31 March 2020
	(EUR)	(EUR)	(₹)
Balance with banks			
- in current accounts	344	856	28,428
	344	**856**	**28,428**

2.5 Other financial assets

	As at		
	31 March 2020	31 March 2019	31 March 2020
	(EUR)	(EUR)	(₹)
Current			
Carried at amortized cost			
Unbilled receivable	0	3	2
Unbilled receivable-related parties (refer note no. 2.18)	25	72	2,105
	25	**75**	**2,107**

2.6 Other current assets

	As at		
	31 March 2020	31 March 2019	31 March 2020
	(EUR)	(EUR)	(₹)
Prepaid Expenses	5	3	383
Others	4	4	326
	9	**7**	**709**

2.7 Share Capital

	As at		
	31 March 2020	31 March 2019	31 March 2020
	(EUR)	(EUR)	(₹)
Authorized			
441,000 Equity shares of EUR 1 each (Previous year 441,000 of EUR 1 each)	441	441	36,486
Issued, subscribed and fully paid up			
441,000 Equity shares of EUR 1 each (Previous year 441,000 of EUR 1 each)	441	441	36,486

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.

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

	As at			
	31 March 2020		31 March 2019	
	No. of shares	Amount (EUR)	No. of shares	Amount (EUR)
Number of shares at the beginning	441,000	441	441,000	441
Add: Shares issued during the year	-	-	-	-
Number of shares at the end	**441,000**	**441**	**441,000**	**441**

Shares held by holding/ultimate holding Company and/or their subsidiaries/associates:-

Name of the shareholder	As at			
	31 March 2020		31 March 2019	
	No. of shares	% of Holding	No. of shares	% of Holding
Equity shares of EUR 1 each fully paid				
HCL Technologies UK Limited, Holding Company	441,000	100%	441,000	100%

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

Name of the shareholder	As at			
	31 March 2020		31 March 2019	
	No. of shares	% of Holding	No. of shares	% of Holding
Equity shares of EUR 1 each fully paid				
HCL Technologies UK Limited, Holding Company	441,000	100%	441,000	100%

As per the records of the Company, including its register of shareholders/members, 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.

2.8 Trade payables

	As at		
	31 March 2020	31 March 2019	31 March 2020
	(EUR)	(EUR)	(₹)
Trade payables	8	226	655
Trade payables-related party (refer note:2.18)	374	1,869	30,971
	382	**2,095**	**31,626**

2.9 Other financial liabilities

	As at		
	31 March 2020	31 March 2019	31 March 2020
	(EUR)	(EUR)	(₹)
Current			
Carried at amortised cost			
Deferred Consideration	68	-	5,639
Others			
Capital accounts payables	14	-	1,172
Liabilities for expenses	218	5	18,003
Liabilities for expenses-related party (refer note:2.18)	3	-	241
	303	**5**	**25,055**

2.10 Other current liabilities

	As at		
	31 March 2020	31 March 2019	31 March 2020
	(EUR)	(EUR)	(₹)
Contract Liabilities (Refer note 2.11)	320	-	26,515
Other advances			
Advance received from customer	139	17	11,460
Others			
VAT payable	61	80	5,006
	520	**97**	**42,981**

2.11 Revenue from operations

	Year ended 31 March 2020 (EUR)	Year ended 31 March 2019 (EUR)	Year ended 31 March 2020 (₹)
Sale of services	1,157	1,900	95,738
Sale of hardware and software	98	345	8,076
	1,255	**2,245**	**103,814**

Disaggregate Revenue Information

The disaggregated revenue from contracts with the customers by contract type is as follows:

	Year ended 31 March 2020 (EUR)	Year ended 31 March 2019 (EUR)	Year ended 31 March 2020 (₹)
Fixed price	1,247	2,243	103,152
Time and material	8	2	662
	1,255	**2,245**	**103,814**
Geography wise			
America	61	184	5,047
Europe	1,032	1,562	85,364
India	158	90	13,072
Others	4	409	331
	1,255	**2,245**	**103,814**

Remaining performance obligations

As at 31 March 2020, the aggregate amount of transaction price allocated to remaining performance obligations as per the requirements of Ind AS 115 was EUR 514. This is after exclusions of below:

a) Contracts for which we recognize revenues based on the right to invoice for services performed,

b) Variable consideration allocated entirely to a wholly unsatisfied performance obligation or to a wholly unsatisfied promise to transfer a distinct good or service that forms part of a single performance obligation, or

c) Variable consideration in the form of a sales-based or usage-based royalty promised in exchange for a license of intellectual property.

Contract balances

Contract assets : A contract asset is a right to consideration that is conditional upon factors other than the passage of time. Contract assets are recognized where there is excess of revenue over the billings. Revenue recognized but not billed to customers is classified either as contract assets or unbilled receivable in our consolidated balance sheet. Contract assets primarily relate to unbilled amounts on fixed price contracts using the cost to cost method of revenue recognition. Unbilled receivables represents contracts where right to consideration is unconditional (i.e. only the passage of time is required before the payment is due).

Contract liabilities : A contract liability arises when there is excess billing over the revenue recognized

The below table discloses the movement in balances of contract liabilities :

	Year ended		
	31 March 2020 (EUR)	31 March 2019 (EUR)	31 March 2020 (₹)
Balance as at beginning of the year	-	-	-
Additional amounts billed but not recognized as revenue	434	-	35,866
Deduction on account of revenues recognized during the	(113)	-	(9,352)
Balance as at end of the year	**320**	**-**	**26,515**

The company has evaluated the impact of COVID-19 resulting from (a) increase in cost budget of fixed price projects due to additional efforts; (b) onerous projects; (c) penalties for not meeting SLAs; (d) volume discounts; (e) termination/deferment of projects to ensure that revenue is recognised after considering all these impacts to the extent known and available currently. We would continue to assess COVID-19 impact as we go along due to uncertainties associated with its nature and duration.

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Notes to financial statement for the year ended 31 March 2020
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2.12 Changes in inventories of stock in trade

	Year ended	Year ended	Year ended
	31 March 2020	31 March 2019	31 March 2020
	(EUR)	(EUR)	(₹)
Opening stock	15	8	1,238
Less : Closing stock	49	15	4,026
	(34)	**(7)**	**(2,788)**

2.13 Finance cost

	Year ended	Year ended	Year ended
	31 March 2020	31 March 2019	31 March 2020
	(EUR)	(EUR)	(₹)
Bank charges	5	3	421
Interest			
Others	1	-	101
	6	**3**	**522**

2.14 Other expenses

	Year ended	Year ended	Year ended
	31 March 2020	31 March 2019	31 March 2020
	(EUR)	(EUR)	(₹)
Legal and professional charges	25	16	2,066
Rates and taxes	10	0	818
Provision for doubtful debts	0	7	30
Exchange differences (net)	29	26	2,370
	64	**49**	**5,284**

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Notes to financial statement for the year ended 31 March 2020
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2.15 Income taxes

	Year ended 31 March 2020 (EUR)	Year ended 31 March 2019 (EUR)	Year ended 31 March 2020 (₹)
Income tax charged to statement of profit and loss			
Current income tax charge	64	49	5,327
Adjsutment in respect of prior year	(0)	1	(24)
Deferred tax charge (credit)	(41)	4	(3,404)
Adjsutment in respect of prior year- Deferred tax	(8)	(8)	(687)
	15	**46**	**1,212**

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

	Year ended 31 March 2020 (EUR)	Year ended 31 March 2019 (EUR)	Year ended 31 March 2020 (₹)
Profit before income tax	43	153	3,520
Statutory tax rate	24.00%	29.00%	24.00%
Expected tax expense	**10**	**44**	**845**
Permanent difference	9	8	732
Reversal of prior year provision	(8)	(7)	(678)
Others	4	1	313
Total taxes	**15**	**46**	**1,212**
Effective income tax rate	34.79%	30.38%	34.79%

Components of deferred tax assets and liabilities as on 31 March 2020 **Amount in (EUR)**

	Opening balance	Recognized in profit and loss	Recognised in / reclassified from OCI	Closing balance
Deferred tax assets				
Provision for doubtful debts	5	(1)	-	5
Provision for Expenses	-	46	-	46
Depreciation and amortization	6	3	-	9
Others	1	3	-	4
Gross deferred tax assets (A)	**12**	**51**	**-**	**64**
Deferred tax liabilities				
Intangibles	-	2	-	2
Gross deferred tax liabilities (B)	-	2	-	2
Net deferred tax assets (A-B)	**12**	**49**	**-**	**62**

Components of deferred tax assets and liabilities as on 31 March 2019 **Amount in (EUR)**

	Opening balance	Recognized in profit and loss	Recognised in / reclassified from OCI	Closing balance
Deferred tax assets				
Provision for doubtful debts	2	4	-	5
Depreciation and amortization	3	3	-	6
Others	-	1	-	1
Net deferred tax assets	**5**	**8**	**-**	**12**

Components of deferred tax assets and liabilities as on 31 March 2020 **Amount in (₹)**

	Opening balance	Recognized in profit and loss	Recognised in / reclassified from OCI	Closing balance
Deferred tax assets				
Provision for doubtful debts	444	(55)	-	389
Provision for Expenses	-	3,766	-	3,766
Depreciation and amortization	567	241	-	808
Others	42	272	-	314
Gross deferred tax assets (A)	**1,053**	**4,225**	**-**	**5,278**
Deferred tax liabilities				
Intangibles	-	183	-	183
Gross deferred tax liabilities (B)	-	183	-	183
Net deferred tax assets (A-B)	**1,053**	**4,042**	**-**	**5,095**

2.16 Segment Reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available and their results are reviewed regularly by the chief operating decision maker (CODM), for allocation of resources and assessing performance. Till 31 March 2019, CODM evaluated the Company's performance by business segments, comprising software services, infrastructure management services and business process outsourcing services.

Consequent to the reorganization of its operations due to technological changes and business requirements, effective 1 April 2019, the Company's holding company, HCL Technologies Limited's chief operating decision maker (CODM) reviews its results for allocation of resources and assessing performance by business segment comprising IT and Business Services, Engineering and R&D Services, and Products & Platforms segments.

Due to the reorganization of operations, the ultimate Holding Company effective 1 April 2019 monitors the risk and returns of the Company's businesses on an entity level and evaluates the performance of the Company as one business segment which is overall a part of the reorganized entity level business segments. Hence there is only one reportable segment of the Company, as envisaged under Indian Accounting Standards -108 "Operating segments".

Revenue disagreegation as per geography is given in note 2.11.

2.17 Earnings per share (EPS)

	As at		
	31 March 2020	**31 March 2019**	**31 March 2020**
	(EUR)	**(EUR)**	**(₹)**
Net Profit/(loss) as per statement of profit and loss for computation of EPS	28	107	2,308
Weighted average number of equity shares outstanding in calculating Basic EPS	441,000	441,000	441,000
Weighted average number of equity shares outstanding in calculating Dilutive EPS	-	-	-
Nominal value of equity shares	1	1	82.74
Earning per equity share			
Basic	0.06	0.24	5.24
Diluted	0.06	0.24	5.24

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2.18 Related party transaction

a) Related parties where control exists

Holding company
HCL Technologies UK limited
Ultimate Holding company
HCL Technologies limited

b) Related parties with whom transactions have taken place during the year
Holding company
HCL Technologies UK limited
Ultimate Holding company
HCL Technologies limited

Fellow subsidiary
HCL Technologies Middle East FZ-LLC
HCL Newzealand Ltd
Axon Solutions Ltd
HCL Tech. Belgium BVBA
HCL Great Britain Ltd.
HCL Tech Denmark ApS
HCL America Inc.
HCLTechnologies Sweden AB
HCL Technologies Egypt Limited
HCL Tech. Finland Oy
HCL Arabia LLC
HCL Mexico S.De.R.L.De.C.V.
HCL Singapore Pte Ltd
HCL Tech Norway AS
HCL (Brazil) Tecnologia da informacao EIRELI
HCL Axon Malaysia Sdn. Bhd.
HCL Australia Services PT
HCL Technologies UK Ltd.
HCL Technologies (Thailand) Limited
HCL Hungary Kft
HCLT Philippines Inc
HCL Technologies Romania SRL
Filial Espanola De HCL Technologies S.L.
HCL Technologies Columbia S.A.S
HCL İSTANBUL BILIŞIM TEKNOLOJILERI LIMITED ŞIRKETI
HCL Argentina S.A.
HCL Technologies Taiwan Ltd
HCL Latin America Holding LLC
HCL Hong Kong SAR Ltd
HCL Technology Chile SPA
HCL Technologies France
HCL Axon Solutions Tianjin
HCL Axon (Pty) Ltd
HCL Technologies Estonia EO
PT HCL Technologies Indonesia
HCL Japan Limited

c) Transactions with related parties

	Revenues			Outsourcing Costs		
	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended
	31 March 2020	31 March 2019	31 March 2020	31 March 2020	31 March 2019	31 March 2020
	(EUR)	(EUR)	(₹)	(EUR)	(EUR)	(₹)
Ultimate Holding Company	158	184	13,057	387	213	31,979
Holding Company	-	-	-	63	56	5,252
Fellow subsidiaries	202	1,411	16,672	204	1,382	16,915

d) Outstanding balances with related parties

	Liability for Expenses			Trade payable		
	As at			As at		
	31 March 2020	31 March 2019	31 March 2020	31 March 2020	31 March 2019	31 March 2020
	(EUR)	(EUR)	(₹)	(EUR)	(EUR)	(₹)
Ultimate Holding Company	-	-	-	185	114	15,295
Holding Company	-	-	-	63	350	5,252
Fellow subsidiaries	3	-	241	126	1,405	10,425

	Unbilled receivable			Trade Receivables		
	As at			As at		
	31 March 2020	31 March 2019	31 March 2020	31 March 2020	31 March 2019	31 March 2020
	(EUR)	(EUR)	(₹)	(EUR)	(EUR)	(₹)
Ultimate Holding Company	25	-	2,105	96	88	7,941
Fellow subsidiaries	-	72	-	560	1,410	46,332

2.19 Capital commitments

	As at		
	31 March 2020	31 March 2019	31 March 2020
	(EUR)	(EUR)	(₹)
Capital commitments			
Estimated Amount of unexecuted capital contracts (net of advances)	110	86	9,098
Total	110	86	9,098

2.20 Financial Instruments

Financial Assets and Liabilities

The carrying value of Financial instruments by categories is as follows:

	31 March 2020		31 March 2019		31 March 2020	
	Amortised Cost	Total carrying value	Amortised Cost	Total carrying value	Amortised Cost	Total carrying value
	(EUR)	(EUR)	(EUR)	(EUR)	(₹)	(₹)
Financial Assets						
Trade receivables	1,019	1,019	1,743	1,743	84,324	84,324
Cash and cash equivalents	344	344	856	856	28,428	28,428
Unbilled receviable	25	25	75	75	2,107	2,107
Total	**1,388**	**1,388**	**2,674**	**2,674**	**114,859**	**114,859**
Financial Liabilities						
Trade payables	382	382	2,095	2,095	31,626	31,626
Others (Refer note: 2.9)	303	303	5	5	25,055	25,055
Total	**685**	**685**	**2,100**	**2,100**	**56,681**	**56,681**

Trade receivables and unbilled receivables have been valued after making reserve for allowances based on the expected credit loss method, considering factors like ageing, likelihood of increased credit risk and expected realizability, nature of customer verticals, considering impact of COVID – 19 impact on customers and related customer verticals.

(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 functional curreny. An insignificant portion of the Company's revenue is in other foreign currency while a large protion of costs are in EUR. The fluctuation in exchange rates in respect to EUR may have potential impact on the statement of profit and loss and equity.

Appreciation / depreciation of 1% in respective foreign currencies with respect to functional currency of the Company would result in decrease / increase in the Company's profit before tax is not material for the year ended 31 March, 2020.

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, 2020 , 31 March 2019 in major currencies is as below:

	Net financial assets		Net financial liabilities	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	(EUR)	(EUR)	(EUR)	(EUR)
USD/EUR	84	73	426	1,419
GBP/EUR	-	-	-	113
BRL/EUR	-	-	-	77

2.20 Financial Instruments (Continued)
(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.

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

	As at	
	31 March 2020	31 March 2019
	(EUR)	(EUR)
Balance at the beginning of the year	19	12
Additional provision during the year	0	7
Balance at the end of the year	**19**	**19**

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.

Maturity profile of the Company's financial liabilities based on contractual payments is as below:

	Year 1	Total	Year 1	Total
	(EUR)	(EUR)	(₹)	(₹)
As at 31st March 2020				
Trade Payables	382	382	31,626	31,626
Deferred Consideratiion	68	68	5,639	5,639
Other financial liabilities	235	235	19,432	19,432
Total	**685**	**685**	**56,697**	**56,697**

	Year 1	Total
	(EUR)	(EUR)
As at 31st March 2019		
Trade Payables	2,095	2,095
Other financial liabilities	5	5
Total	**2,100**	**2,100**

3. Amounts less than EUR 0.50 thousands are rounded off to zero.

FOR B S R & CO. LLP
Chartered Accountants
ICAI Firm Registration Number : 101248W/W-100022

Rakesh Dewan

Rakesh Dewan
Partner
Membership Number : 092212

Gurugram, India
Date : 05 September 2020

For and on behalf of the Board of Directors
of HCL Technologies Greece Single Member P.C

Ramachandran Sundararajan

Ramachandran Sundararajan
Director

Date : 05 September 2020