HCL EAS Limited

Special Purpose Financial Statements

For the year ended 31 March 2021

HCL EAS Limited

Special Purpose Balance Sheet as at 31 March 2021

(All amount are in thousands except stated otherwise)

		Note No.	As at 31 March 2021 (USD)	As at 31 March 2021 refer note 1(a) (₹)
I.	**ASSETS**			
	(1) Non-current assets			
	(a) Financial assets			
	(i) Investments	**2.1**	696,857	50,947,210
	(2) Current assets			
	(a) Financial assets			
	(i) Cash and cash equivalents	**2.2**	440	32,169
	(ii) Loans	**2.3**	53,674	3,924,158
	(iii) Others	**2.4**	537	39,262
	(b) Current tax assets (net)		26	1,871
	(c) Other current assets	**2.5**	1,034	75,596
	TOTAL ASSETS		**752,568**	**55,020,266**
II.	**EQUITY**			
	(a) Equity share capital	**2.6**	157,561	11,519,256
	(b) Other equity		(167,427)	(12,240,534)
	TOTAL EQUITY		**(9,866)**	**(721,278)**
III.	**LIABILITIES**			
	(1) Non- current liabilities			
	(a) Financial liabilities			
	(i) Others	**2.9**	659,822	48,239,617
	(2) Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	**2.7**	12,000	877,320
	(ii) Trade payables	**2.8**	577	42,152
	(iii) Others	**2.9**	90,035	6,582,455
	TOTAL EQUITY AND LIABILITIES		**752,568**	**55,020,266**
	Summary of significant accounting policies	**1**		

The accompanying notes are an integral part of the special purpose financial statements

As per our report of even date

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

Rakesh Dewan Digitally signed by Rakesh Dewan Date: 2021.08.04 17:11:16 +05'30'

Rakesh Dewan
Partner
Membership Number: 092212

Gurugram, India
Date: 4 August 2021

For and on behalf of the Board of Directors of HCL EAS Limited

SHIV KUMAR WALIA Digitally signed by SHIV KUMAR WALIA Date: 2021.08.04 16:23:33 +05'30'

Shiv Kumar Walia
Director

Berkshire, UK
Date: 4 August 2021

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Subramanian Gopalakrishnan
Director

Noida, India
Date: 4 August 2021

HCL EAS Limited

Special Purpose Statement of Profit and Loss for the year ended 31 March 2021

(All amount are in thousands except stated otherwise)

		Note No.	Year ended 31 March 2021 (USD)	Year ended 31 March 2021 refer note 1(a) (₹)
I	**Revenue**			
	Revenue from operations	**2.10**	3,507	256,396
	Other income	**2.11**	14,935	1,091,969
	Total income		**18,442**	**1,348,365**
II	**Expenses**			
	Finance costs	**2.12**	11,691	854,675
	Outsourcing costs		2,261	165,339
	Other expenses	**2.13**	16	1,203
	Total expenses		**13,968**	**1,021,217**
III	**Profit before tax**		**4,474**	**327,148**
IV	**Tax expense**	**2.14**		
	Current tax		13	950
	Total tax expense		13	950
V	**Profit for the year**		**4,461**	**326,198**
VI	**Total comprehensive income for the year**		**4,461**	**326,198**
	Earnings per equity share	**2.15**		
	Basic		0.04	3.20
	Diluted		0.04	3.20
	Summary of significant accounting policies	**1**		

The accompanying notes are an integral part of the special purpose financial statements

As per our report of even date

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

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Rakesh Dewan
Partner
Membership Number: 092212

Gurugram, India
Date: 4 August 2021

For and on behalf of the Board of Directors of HCL EAS Limited

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Shiv Kumar Walia
Director

Berkshire, UK
Date: 4 August 2021

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Subramanian Gopalakrishnan
Director

Noida, India
Date: 4 August 2021

HCL EAS Limited

Special Purpose Statement of Changes in Equity for the year ended 31 March 2021

(All amount are in thousands except stated otherwise)

(Amount in USD)

	Equity share capital		Other equity	Total other equity
	Number of shares	Share capital	Reserves and surplus Retained losses	
Balances as at 1 April 2020 (As previously reported)	101,843,957	157,561	33,594	**33,594**
Prior period adjustment	-	-	(205,482)	**(205,482)**
Balance as at 1 April 2020 (restated- refer note 2.17)	101,843,957	157,561	(171,888)	**(171,888)**
Profit for the year	-	-	4,461	**4,461**
Total comprehensive income for the year	-	-	4,461	**4,461**
Balance as at 31 March 2021	101,843,957	157,561	(167,427)	**(167,427)**

(Amount in INR)

	Equity share capital		Other equity	Total other equity
	Number of shares	Share capital	Reserves and surplus Retained losses	
Balances as at 1 April 2020 (As previously reported)	101,843,957	157,561	2,456,057	**2,456,057**
Prior period adjustment	-	-	(15,022,789)	**(15,022,789)**
Balance as at 1 April 2020 (restated- refer note 2.17)	101,843,957	11,519,256	(12,566,732)	(12,566,732)
Profit for the year	-	-	326,198	326,198
Total comprehensive income for the year	-	-	326,198	326,198
Balance as at 31 March 2021	101,843,957	11,519,256	(12,240,534)	(12,240,534)

Refer note 1 for summary of significant accounting policies

The accompanying notes are an integral part of the special purpose 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 Digitally signed by Rakesh Dewan Date: 2021.08.04 17:12:11 +05'30'

Rakesh Dewan
Partner
Membership Number: 092212

Gurugram, India
Date: 4 August 2021

For and on behalf of the Board of Directors
of HCL EAS Limited

SHIV KUMAR WALIA Digitally signed by SHIV KUMAR WALIA Date: 2021.08.04 16:24:00 +05'30'

Shiv Kumar Walia
Director

Berkshire, UK
Date: 4 August 2021

SUBRAMANIAN GOPALAKRISHNAN Digitally signed by SUBRAMANIAN GOPALAKRISHNAN Date: 2021.08.04 16:26:07 +05'30'

Subramanian Gopalakrishnan
Director

Noida, India
Date: 4 August 2021

HCL EAS Limited

Special Purpose Statement of Cash flow for the year ended 31 March 2021

(All amount are in thousands except stated otherwise)

		Year ended 31 March 2021 (USD)	Year ended 31 March 2021 refer note 1(a) (₹)
A. Cash flows from operating activities			
Profit before tax		4,474	327,148
Adjustment for:			
Interest income		(805)	(58,891)
Interest expenses		361	26,372
Dividend accrued on preference shares to group company		11,324	827,870
Dividend from subsidiaries		(7,295)	(533,336)
Operating profit before working capital changes		**8,059**	**589,163**
Net changes in			
Other financial assets and other assets		(48)	(3,516)
Trade payables		49	3,597
Other financial liabilities and other liabilities		(81)	(5,933)
Cash flow from operations		**7,979**	**583,311**
Direct taxes paid		(13)	(950)
Net cash inflow from operating activities	**(A)**	**7,966**	**582,361**
B. Cash flow from investing activities			
Proceeds from loan repayment by related parties		43,945	3,212,819
Loan given to related parties		(29,202)	(2,134,958)
Interest received		2,533	185,204
Dividend received from related parties		7,295	533,336
Net cash inflow from investing activities	**(B)**	**24,571**	**1,796,401**
C. Cash flows from financing activities			
Repayment of short term borrowings		(15,000)	(1,096,650)
Redemption of preference shares		(40,000)	(2,924,400)
Dividend paid		(682)	(49,883)
Interest paid		(435)	(31,803)
Net cash used in financing activities	**(C)**	**(56,117)**	**(4,102,736)**
Net increase in cash and cash equivalents (A+B+C)		(23,580)	(1,723,974)
Cash and cash equivalents at the beginning of the year		24,020	1,756,143
Cash and cash equivalents at the end of the year as per note 2.2		**440**	**32,169**
Summary of significant accounting policies (Note 1)			

The accompanying notes are an integral part of the special purpose 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 Digitally signed by Rakesh Dewan Date: 2021.08.04 17:12:44 +05'30'

Rakesh Dewan
Partner
Membership Number: 092212

Gurugram, India
Date: 4 August 2021

For and on behalf of the Board of Directors
of HCL EAS Limited

SHIV KUMAR WALIA Digitally signed by SHIV KUMAR WALIA Date: 2021.08.04 16:24:14 +05'30'

Shiv Kumar Walia
Director

Berkshire, UK
Date: 4 August 2021

SUBRAMANIAN GOPALAKRISHNAN Digitally signed by SUBRAMANIAN GOPALAKRISHNAN Date: 2021.08.04 16:26:23 +05'30'

Subramanian Gopalakrishnan
Director

Noida, India
Date: 4 August 2021

ORGANIZATION AND NATURE OF OPERATIONS

HCL EAS Limited (hereinafter referred to as 'the Company') is an investment entity, investing in the shares of companies providing services associated with software consultancy services, business process outsourcing and infrastructure management services. The Company also provides a software license to a fellow group subsidiary. The Company was incorporated on September 11, 2008 in United Kingdom, having its registered office at Axon Centre, Church Road, Egham, Surrey, TW20 9QB, United Kingdom.

The financial statements for the year ended 31 March, 2021 were approved and authorized for issue by the Board of Directors on 4 August 2021.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation:

These financial statements have been prepared on the request of HCL Technologies Limited, being the Ultimate Holding Company, for their limited use and are accordingly Special Purpose Financial Statements ('financial statements').

These financial statements have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 ("Act") read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and certain presentation requirements of Schedule III (Division II) to the Companies Act, 2013, as considered relevant to these financial statements.

As the Company is not domiciled in India and hence not registered under Companies Act 2013, these financial statements do not include all the notes and disclosures (mainly in respect of Financial instruments, Segment and Taxes) and also do not include the previous year comparatives and third balance sheet as at April 1, 2019 as per Schedule III (Division II) to the Companies Act, 2013 and Ind AS.

These financial statements are not the statutory financial statements of the Company. As a result, these financial statements may not be suitable for any other purpose.

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 Company has incurred losses in previous years which have resulted in erosion of net worth of the Company as at the balance sheet date. However, management believes that the Company, based on its business plans and HCL Technologies Limited, the ultimate holding company's commitment to provide financial and operational support for a period of not less than 12 months from the date of the financial statements, would be able to continue its business operations and meet its liquidity requirements for the foreseeable future. Accordingly, no adjustments would be required in respect of the carrying value of assets or liabilities and these financial statements have been prepared on a going concern basis.

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 the indirect method. The functional currency of the Company is US dollars (USD). The translation from USD to ₹ is included solely for the convenience of readers in India and has been performed using rate of USD 1 = ₹ 73.1100, the exchange rate prevailing as at the last day of the financial year. Such translation should not be construed as representation that the ₹ amounts represent, or have been or could be converted into, USD at that or any other rate.

(b) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses, other comprehensive income (OCI) and contingent liabilities that are reported and disclosed in the financial statements and accompanying notes. These estimates are based on the management's best knowledge of current events, historical experience, actions that the Company may undertake in the future and on various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from those estimates. Changes in estimates are reflected in the financial statements in the year in which the changes are made.

Significant estimates and assumptions are used for, but not limited to,

i. Recognition of income and taxes, refer note 1(h) and note 2.14
ii. Provisions and contingent liabilities, refer note 1(i)
iii. Estimate of impairment on investment, refer note 1(g)
iv. Accounting of preference shares issued to group company, refer note 1(j)(ii)

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 investments, other assets, impact on revenues and costs, including but not limited to the assessment of liquidity and going concern assumption. 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) Foreign currency and translation

Transactions in foreign currencies are initially recorded by company at reporting currency spot rates at the date the transaction first qualifies for recognition. Foreign-currency denominated monetary assets and liabilities are translated to the reporting 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 reporting currencies using the exchange rate in effect on the date of the transaction.

(d) Fair value measurement

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

In accordance with Ind AS 113, assets and liabilities are to be measured based on the following valuation techniques:
a) Market approach – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.
b) Income approach – Converting the future amounts based on market expectations to its present value using the discounting method.
c) Cost approach – Replacement cost method.

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

(e) Revenue recognition

Revenue (license fee) is recognised from the lease of the ALPS software asset to group fellow subsidiary company on the basis of "total chargeable policy count", being the number of policies invoiced to clients in the financial year. License fee is chargeable on a "per policy" basis and is based on the pricing schedule prescribed in the leasing agreement.

Interest income

Interest income is included in other income in the statement of profit and loss. Interest attributable to balances in bank account as per banking rules of respective country has been recognized on actual basis as other income. Interest income is recognised in the Statement of profit and loss using the effective interest method.

Dividend

Dividend income is recognised when right to receive the same is established.

(f) Finance costs

Finance costs are charged to the Income statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

(g) Investment

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises the purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Investment in Subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Investments in subsidiaries are valued at cost less impairment in the separate financial statements as required under relevant applicable accounting standards. When the carrying amount of the investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the statement of comprehensive income (Loss).

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to special purpose profit or loss.

Investment Impairment

Investment is tested annually on March 31, for impairment, or sooner whenever there is an indication that investment may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, the recoverable amount (i.e. the lower of the book value or recoverable amount) is determined on an individual investment basis and difference between them is recognized as investment impairment in statement of profit and loss is not reversed in the subsequent period.

(h) Income taxes

Income tax expense comprises current and deferred income tax.

Income tax expense is recognized in statement of profit and loss. 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, wherever applicable.

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

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted 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 entity and the same taxation authority.
The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the year 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.

(i) Provision 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.

(j) 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 equivalents

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

Financial instruments at amortized cost

A financial instrument is measured at the amortized cost if both the following conditions are met:
a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

Derecognition

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 - Initial recognition and measurement**

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

The Company's financial liabilities include trade payables, borrowings & preference shares.

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.

(k) Earnings per share (EPS)

Basic EPS amounts are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

(l) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(m) Recently issued accounting pronouncements

On 24 March 2021, the Ministry of Corporate Affairs (MCA), notified amendments in Schedule III to the Companies Act, 2013 effective from 1 April 2021. The Company is currently evaluating the impact of these amendment on its financial statements.

HCL EAS Limited
Notes to Special Purpose Financial Statements for the year ended 31 March 2021
(All amount are in thousands except stated otherwise)

2.1 Investments

	Holding (%)	As at 31 March 2021 (USD)	As at 31 March 2021 (₹)
Financial assets			
Non - current			
Unquoted Investment			
Equity instruments in subsidiary companies carried at cost			
30,000 shares of EUR 10 each in Filial Espanola De HCL Technoloiges S.L., Spain	100.00%	369	26,992
67,820,332 shares of GBP 0.01 each in Axon Group Limited, UK	100.00%	686,761	50,209,061
2,516,000 shares of EUR 1 each in HCL Technologies France, France	100.00%	3,537	258,606
2,716,838 shares of PHP 100 each in HCL Technologies Philippines Inc., Philippines	100.00%	6,190	452,551
		696,857	50,947,210
Equity instruments in group companies carried at cost			
100,000 shares without nominal value in HCL Technologies Belgium BVBA, Belgian	0.0010%	-	-
56 shares of Bs 1000 each in HCL Technoloiges S.A., Venezuela	0.0200%	-	-
1 share of EGP 10 each in HCL Technologies Egypt Ltd., Egypt	0.0002%	-	-
1 share of THB 100 each in HCL Technologies (Thailand) Limited, Thailand	0.0005%	-	-
1 shares of OMR 100 each in HCL Muscat Technologies LLC, Oman	0.0600%	-	-
		-	-
		696,857	50,947,210

2.2 Cash and cash equivalents

	As at 31 March 2021 (USD)	As at 31 March 2021 (₹)
Balance with banks		
- in current accounts	440	32,169
	440	**32,169**

2.3 Loans

	As at 31 March 2021 (USD)	As at 31 March 2021 (₹)
Current		
Unsecured considered good		
Loans to related parties (refer note 2.16)	53,674	3,924,158
	53,674	**3,924,158**

2.4 Other financial assets

	As at 31 March 2021 (USD)	As at 31 March 2021 (₹)
Current		
Carried at amortized cost		
Interest receivable - related parties (refer note 2.16)	537	39,262
	537	39,262

2.5 Other current assets

	As at 31 March 2021 (USD)	As at 31 March 2021 (₹)
Unsecured , considered good		
Others		
Other receivables- related parties (refer note 2.16)	1,034	75,596
	1,034	**75,596**

2.6 Share capital

	As at	
	31 March 2021	31 March 2021
	(USD)	(₹)
Authorized 101,843,957 ordinary shares of GBP 1 each	157,561	11,519,256
Issued, subscribed and fully paid up 101,843,957 ordinary shares of GBP 1 each	157,561	11,519,256

Terms/ rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of GBP 1/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Reconciliation of the number of shares outstanding at the beginning and at the end of the financial year

	As at
	31 March 2021
	No. of shares
Number of ordinary shares at the beginning	101,843,957
Number of ordinary shares at the end	101,843,957

Ordinary shares are normal equity shares.

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

Name of the shareholder	As at	
	31 March 2021	
	No. of shares	% holding in the class
Ordinary shares of GBP 1 each fully paid	101,843,957	100.00%
HCL Technologies Austria GmbH, the holding company	71,840,727	70.54%
HCL Technologies Limited	30,003,230	29.46%

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 for consideration 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 short term borrowings and dividend income from fellow subsidiaries.

HCL EAS Limited
Notes to Special Purpose Financial Statements for the year ended 31 March 2021
(All amount are in thousands except stated otherwise)

2.7 Borrowings

	As at	
	31 March 2021	31 March 2021
	(USD)	(₹)
Short term borrowings		
Unsecured		
Short term loan - related parties (refer note below and note 2.16)	12,000	877,320
	12,000	**877,320**

Borrowings are taken by the company for management of working capital. The Company has availed borrowings at interest rate ranging between LIBOR+1% p.a., which is repayable on demand.

2.8 Trade payables

	As at	
	31 March 2021	31 March 2021
	(USD)	(₹)
Trade payables - related parties (refer note 2.16)	577	42,152
	577	**42,152**

2.9 Other financial liabilities

	As at	
	31 March 2021	31 March 2021
	(USD)	(₹)
Non current		
Carried at amortized cost		
2.2% cummulative preference shares (refer note 1 below & note no. 2.16)	443,699	32,438,834
Accrued dividend on preference shares (refer note 2.16)	216,123	15,800,783
	659,822	**48,239,617**
Current		
Carried at amortized cost		
2.2% cummulative preference shares (refer note 1 below & note no. 2.16)	90,000	6,579,900
Interest accrued but not due on borrowings (refer note 2.16)	23	1,708
Others		
Liabilities for expenses	12	847
	90,035	**6,582,455**

Note:

1. Cumulative preference shares carry an annual coupon rate of 2.2%. Dividend has been accumulated at the rate of 4% till 30 March 2020 and at the rate of 2.2% after the aforementioned date. The dividend on these shares has been recorded in statement of profit and loss of $ 11,324. 60,000,000 preference shares of $1 each were due for redemption on 2nd November 2020 out of which tenure of 20,000,000 preference shares has been extended by 5 years and 40,000,000 preference shares has been redeemed during the year. No preference shares were issued during the year. The company has extended the period of 35,000,000 preference shares of $1 each for five years which were due for redemption after balance sheet date.

HCL EAS Limited
Notes to Special Purpose Financial Statements for the year ended 31 March 2021
(All amount are in thousands except stated otherwise)

2.10 Revenue from operations

	Year ended	
	31 March 2021	**31 March 2021**
	(USD)	**(₹)**
Sale of services	3,507	256,396
	3,507	**256,396**

Disaggregate Revenue Information

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

	Year ended	
	31 March 2021	**31 March 2021**
	(USD)	**(₹)**
Time and material	3,507	256,396
	3,507	**256,396**

(b) The disaggregated revenue from customers by geographic area based on location of customer is as follows:

	Year ended	
	31 March 2021	**31 March 2021**
	(USD)	**(₹)**
United Kingdom	3,507	256,396
Total	**3,507**	**256,396**

HCL EAS Limited
Notes to Special Purpose Financial Statements for the year ended 31 March 2021
(All amount are in thousands except stated otherwise)

2.11 Other income

	Year ended	
	31 March 2021	31 March 2021
	(USD)	(₹)
Interest income		
- On bank balances	13	977
- On others- related parties (refer note 2.16)	792	57,914
Exchange differences (net)	6,835	499,742
Dividends from subsidiaries	7,295	533,336
	14,935	**1,091,969**

2.12 Finance costs

	Year ended	
	31 March 2021	31 March 2021
	(USD)	(₹)
Interest		
Bank overdraft	5	343
Others- related parties (refer note 2.16)	356	26,029
Dividend accrued on preference shares to group company	11,324	827,870
Bank charges	6	433
	11,691	**854,675**

2.13 Other expenses

	Year ended	
	31 March 2021	31 March 2021
	(USD)	(₹)
Legal and professional charges	16	1,203
	16	**1,203**

2.14 Tax expense

	Year ended	
	31 March 2021	31 March 2021
	(USD)	(₹)
Income tax charged to statement of profit and loss		
Current income tax	13	950
	13	**950**

Components of unregonised deferred tax assets as on 31 March 2021

	Year ended	
	31 March 2021	31 March 2021
	(USD)	(₹)
Tax losses	1,606	117,415
Decelerated capital allowances	156	11,405
	1,762	**128,820**

The directors consider that it is less likely than not that there will be sufficient taxable profits in the future to realise the deferred tax asset in respect of losses carried forward and therefore no asset has been recognised in these financial statements.

2.15 Earnings Per Share

The computation of earnings per ordinary share is as follows:

	Year ended	
	31 March 2021	31 March 2021
	(USD)	(₹)
Net profit as per Statement of profit and loss for computation of EPS	4,461	326,198
Weighted average number of ordinary share outstanding in calculating of Basic EPS	101,843,957	101,843,957
Weighted average number of ordinary shares outstanding in calculating dilutive EPS	101,843,957	101,843,957
Nominal value of ordinary share(in GBP)	1	1
Earnings per share		
- Basic	0.04	3.20
- Diluted	0.04	3.20

2.16 Related party transactions

a) Related parties where control exists

Holding company

HCL Technologies Austria GmbH

Ultimate holding company

HCL Technologies Limited

Subsidiaries

Axon Group Limited
HCL Technologies France SAS
HCL Technologies Philippines Inc.
Filial Espanola De HCL Technoloiges S.L.

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

Holding company

HCL Technologies Austria GmbH

Subsidiaries

Axon Group Limited
HCL Technologies France SAS
HCL Technologies Philippines Inc.

Fellow Subsidiary

HCL Technologies S.A.
HCL Latin America Holding LLC
HCL Insurance BPO Services Limited
HCL Hungary Kft
HCL Technologies Germany Gmbh
HCL Technologies UK Limited
HCL Technologies Belgium BVBA
HCL Technologies Sweden AB
Point To Point Products Limited
Geometric Europe GmbH
Geometric SAS
HCL Technologies Norway AS
HCL Bermuda Limited
HCL Technologies Middle East FZ-LLC
HCL Guatemala, Sociedad Anonima

HCL EAS Limited
Notes to Special Purpose Financial Statements for the year ended 31 March 2021
(All amount are in thousands except stated otherwise)

2.16 Related party transactions (continued)

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

	Holding company	Subsidiaries	Fellow subsidiaries
	Year ended	Year ended	Year ended
	31 March 2021	31 March 2021	31 March 2021
Revenue from operations	-	-	3,507
Outsourcing costs	-	-	2,261
Dividend accrued on preference shares to group company	-	-	11,324
Dividends from subsidiaries	-	7,295	-
Interest income	29	24	739
Interest expense	-	-	356
Redemption of preference shares	-	-	40,000
Repayment of borrowings	-	-	15,000
Disbursement in respect of loan given	-	-	29,202
Receipt against loan given	-	-	43,945

(INR)

	Holding company	Subsidiaries	Fellow subsidiaries
	Year ended	Year ended	Year ended
	31 March 2021	31 March 2021	31 March 2021
Revenue from operations	-	-	256,396
Outsourcing costs	-	-	165,339
Dividend accrued on preference shares to group company	-	-	827,870
Dividends from subsidiaries	-	533,336	-
Interest income	2,131	1,755	54,028
Interest expense	-	-	26,029
Redemption of preference shares			2,924,400
Repayment of borrowings	-	-	1,096,650
Disbursement in respect of loan given	-	-	2,134,958
Receipt against loan given	-	-	3,212,819

Material related party transactions	Year ended	
	31 March 2021 (USD)	31 March 2021 (INR)
Revenue from operations		
HCL Insurance BPO Services Limited	3,507	256,396
Outsourcing costs		
HCL Insurance BPO Services Limited	2,261	165,339
Dividend accrued on preference shares to group company		
HCL Bermuda Limited	11,324	827,870
Dividends from subsidiaries		
Axon Group Limited	7,295	533,336
Interest expense		
HCL Technologies Sweden AB	356	26,029
Repayment of borrowings		
HCL Technologies Sweden AB	15,000	1,096,650
Disbursement in respect of loan given		
HCL Latin America Holding LLC	10,000	731,100
HCL Technologies UK Limited	17,803	1,301,572
HCL Technologies Belgium BVBA	399	29,176
HCL Technologies Norway AS	1,000	73,110
Receipt against loan given		
HCL Hungary Kft	745	54,467
HCL Technologies Germany Gmbh	14,219	1,039,517
Point To Point Products Limited	680	49,698
Geometric Europe GmbH	1,148	83,961
HCL Technologies France SAS	6,016	439,795
HCL Technologies Austria GmbH	2,900	212,019
HCL Technologies Philippines Inc.	1,000	73,110
HCL Bermuda Limited	16,801	1,228,357
Redemption of preference shares		
HCL Bermuda Limited	40,000	2,924,400

2.16 Related party transactions (continued)

d) Outstanding balances of related parties as at 31 March 2021

	Fellow subsidiaries	
	Year ended	Year ended
	31 March 2021 (USD)	31 March 2021 (INR)
Loans, other financial assets and other assets	55,245	4,039,016
Trade payables, borrowings and other financial liabilities	762,422	55,740,697

2.17 Restatement due to correction of errors

During the previous year, the company had passed a resolution that no dividend is payable on outstanding preference shares as on 30 March 2020. However, during the current year after reassessing the terms and conditions of the cumulative preference shares, the management determined that it is appropriate to record the accrual of dividend on cumulative preference shares from the initial date as the preference shares were treated as liability and the company does not have an unconditional right to defer payment of the dividend on an indefinite basis. As per applicable guidance, this is finance cost on a financial liability at amortised cost as per "Ind AS 109: Financial Instruments". Accordingly, the retained earnings as at 1 April 2020 have been restated by the management in accordance with requirements of "Ind AS 8: Accounting Policies, Changes in Accounting Estimates and Errors". The effect of adjustment on account of restatement amounting to USD 205,482 i.e. equivalent to INR 15,022,789 which is adjusted in restated retained losses as at 1 April 2020. However, comparative figures for previous year ended March 31, 2020 and third balance sheet as at April 1, 2019 have not been presented as described in the basis of preparation in Note 1(a) to the financial statements.

2.18 Subsequent events

The company has extended the period of 35,000,000 preference shares of $1 each for five years which were due for redemption after balance sheet date.

As per our report of even date

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

Rakesh Dewan Digitally signed by Rakesh Dewan Date: 2021.08.04 17:13:34 +05'30'

Rakesh Dewan
Partner
Membership Number: 092212

Gurugram, India
Date: 4 August 2021

For and on behalf of the Board of Directors
of HCL EAS Limited

SHIV KUMAR WALIA Digitally signed by SHIV KUMAR WALIA Date: 2021.08.04 16:24:34 +05'30'

Shiv Kumar Walia
Director

Berkshire, UK
Date: 4 August 2021

SUBRAMANIAN GOPALAKRISHNAN Digitally signed by SUBRAMANIAN GOPALAKRISHNAN Date: 2021.08.04 16:27:00 +05'30'

Subramanian Gopalakrishnan
Director

Noida, India
Date: 4 August 2021