



**HCL Vietnam Company Limited**

Financial Statements for the year ended  
31 March 2022



## **HCL Vietnam Company Limited**

### **Corporate Information**

#### **Investment Registration**

**Certificate No.**

6588772554

3 March 2020

The Company's Investment Registration Certificate has been amended several times, the most recent of which is by Investment Registration Certificate No. 6588772554 dated 22 February 2022. The Investment Registration Certificate was issued by Hanoi Department of Planning and Investment and are valid for 50 years from the date of the initial Investment Registration Certificate.

#### **Enterprise Registration**

**Certificate No.**

0109129844

16 March 2020

The Company's Enterprise Registration Certificate has been amended several times, the most recent of which is by Enterprise Registration Certificate No. 0109129844 dated 10 March 2022. The Enterprise Registration Certificate was issued by Hanoi Department of Planning and Investment.

#### **Members' Council**

Mr. Raghu Raman Lakshmanan	Chairman
Mr. Sundaram Sridharan	Member
Mr. Bui Tien Long	Member
Mr. Shiv Kumar Walia	Member

#### **Legal Representative**

Mr. Sundaram Sridharan	Director
Mr. Bui Tien Long	Director

#### **Registered Office**

Level 17, Leadvisors Tower, No. 643 Pham Van Dong Street  
Co Nhue Ward, North Tu Liem District  
Ha Noi City, Vietnam

#### **Auditor**

KPMG Limited  
Vietnam

**HCL Vietnam Company Limited**  
**Statement by the management**

The management of HCL Vietnam Company Limited (“the Company”) presents this statement and the accompanying financial statements of the Company for the year ended 31 March 2022.

The Company’s management is responsible for the preparation and fair presentation of the financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting. In the opinion of the Company’s management:

- (a) the financial statements set out on pages 5 to 28 give a true and fair view of the financial position of the Company as at 31 March 2022, and of its results of operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting; and
- (b) at the date of this statement, there are no reasons for the Company’s management to believe that the Company will not be able to pay its debts as and when they fall due.

The Company’s management has, on the date of this statement, authorised the accompanying financial statements for issue.

On behalf of the Company’s management



Sundaram Sridharan  
*Director*  
Hanoi, 28 June 2022



KPMG Limited  
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E6 Pham Hung Road, Me Tri Ward  
South Tu Liem District, Hanoi, Vietnam  
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## **INDEPENDENT AUDITOR'S REPORT**

### **To the Investor HCL Vietnam Company Limited**

We have audited the accompanying financial statements of HCL Vietnam Company Limited ("the Company"), which comprise the balance sheet as at 31 March 2022, the statements of income and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Company's management on 28 June 2022, as set out on pages 5 to 28.

### **Management's Responsibility**

The Company's management is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting, and for such internal control as the Company's management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Company's management, as well as evaluating the overall presentation of the financial statements.

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



### Auditor's Opinion

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of HCL Vietnam Company Limited as at 31 March 2022 and of its results of operations and its cash flows for the year then ended, in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.

#### KPMG Limited

Vietnam

Audit Report No. 22-02-00127-22-1



Doan Thanh Toan  
Practicing Auditor Registration  
Certificate No. 3073-2019-007-1  
*Deputy General Director*

Hanoi, 28 June 2022

Truong Tuyet Mai  
Practicing Auditor Registration  
Certificate No. 2594-2019-007-1





**HCL Vietnam Company Limited**  
**Balance sheet as at 31 March 2022**

**Form B 01 – DN**  
*(Issued under Circular No. 200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	31/3/2022 VND	1/4/2021 VND Reclassified
<b>ASSETS</b>				
<b>Current assets</b> <b>(100 = 110 + 130 + 150)</b>	<b>100</b>		<b>71,921,996,132</b>	<b>45,988,531,487</b>
<b>Cash and cash equivalents</b>	<b>110</b>	<b>4</b>	<b>11,133,356,311</b>	<b>8,765,317,254</b>
Cash	111		11,133,356,311	8,765,317,254
<b>Accounts receivable – short-term</b>	<b>130</b>		<b>37,861,048,726</b>	<b>32,665,662,175</b>
Accounts receivable from customers	131	5	36,540,237,392	32,659,066,175
Prepayment to suppliers	132		332,653,478	-
Other receivables	136	7	3,025,021,629	6,596,000
Allowance for doubtful debt	137	6	(2,036,863,773)	-
<b>Other current assets</b>	<b>150</b>		<b>22,927,591,095</b>	<b>4,557,552,058</b>
Short-term prepaid expenses	151	10(a)	8,464,885,589	1,146,364,494
Deductible value added tax	152		14,462,705,506	3,411,187,564
<b>Long-term assets</b> <b>(200 = 210 + 220 + 240 + 260)</b>	<b>200</b>		<b>123,218,164,634</b>	<b>29,055,452,513</b>
<b>Accounts receivable – long-term</b>	<b>210</b>		<b>4,587,972,840</b>	<b>2,525,328,568</b>
Other long-term receivables	216	7	4,587,972,840	2,525,328,568
<b>Fixed assets</b>	<b>220</b>		<b>68,343,992,202</b>	<b>20,249,126,148</b>
Tangible fixed assets	221	8	68,343,992,202	20,249,126,148
Cost	222		76,018,427,635	21,602,863,618
Accumulated depreciation	223		(7,674,435,433)	(1,353,737,470)
<b>Long-term work in progress</b>	<b>240</b>		<b>19,481,921,948</b>	<b>995,595,488</b>
Construction in progress	242	9	19,481,921,948	995,595,488
<b>Other long-term assets</b>	<b>260</b>		<b>30,804,277,644</b>	<b>5,285,402,309</b>
Long-term prepaid expenses	261	10(b)	30,804,277,644	5,285,402,309
<b>TOTAL ASSETS (270 = 100 + 200)</b>	<b>270</b>		<b>195,140,160,766</b>	<b>75,043,984,000</b>

*The accompanying notes are an integral part of these financial statements*

**HCL Vietnam Company Limited**  
**Balance sheet as at 31 March 2022 (continued)**

**Form B 01 – DN**  
*(Issued under Circular No. 200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	31/3/2022 VND	1/4/2021 VND Reclassified
<b>RESOURCES</b>				
<b>LIABILITIES (300 = 310 + 330)</b>	<b>300</b>		<b>208,985,629,609</b>	<b>70,981,795,593</b>
<b>Current liabilities</b>	<b>310</b>		<b>208,540,894,169</b>	<b>70,981,795,593</b>
Accounts payable to suppliers	311	11	44,654,520,060	26,970,373,863
Advances from customers	312	12	9,433,592,135	-
Taxes payable to State Treasury	313	13	374,937,910	2,175,162,475
Payables to employees	314		10,847,203,438	667,546,865
Accrued expenses	315	14	5,857,481,320	8,862,312,390
Unearned revenue	318		351,159,306	-
Short-term borrowings	320	15	137,022,000,000	32,306,400,000
<b>Long-term liabilities</b>	<b>330</b>		<b>444,735,440</b>	-
Long-term accrual expenses	333		444,735,440	-
<b>EQUITY (400 = 410)</b>	<b>400</b>		<b>(13,845,468,843)</b>	<b>4,062,188,407</b>
<b>Owner's equity</b>	<b>410</b>	<b>16</b>	<b>(13,845,468,843)</b>	<b>4,062,188,407</b>
Contributed capital	411	17	82,919,200,000	2,316,700,000
(Accumulated losses)/retained profits	421		(96,764,668,843)	1,745,488,407
- Accumulated profit brought forward	421a		1,745,488,407	-
- (Loss)/profit for the current year	421b		(98,510,157,250)	1,745,488,407
<b>TOTAL RESOURCES (440 = 300 + 400)</b>	<b>440</b>		<b>195,140,160,766</b>	<b>75,043,984,000</b>

28 June 2022

Prepared by:



Nguyen Thi Thao  
Accountant

Approved by:



Sundaram Sundharan  
Director

*The accompanying notes are an integral part of these financial statements*

**HCL Vietnam Company Limited**  
**Statement of income for the year ended 31 March 2022**

**Form B 02 – DN**  
*(Issued under Circular No. 200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	Year ended 31/3/2022 VND	From 16/3/2020 to 31/3/2021 VND
Revenue from sales of services	01	19	53,694,702,353	32,659,066,175
Cost of sales	11		95,190,928,169	14,142,809,311
Gross (loss)/profit (20 = 01 - 11)	20		(41,496,225,816)	18,516,256,864
Financial income	21		1,074,243,425	127,467,747
Financial expenses	22		3,551,284,791	299,611,475
<i>In which: Interest expense</i>	23		887,344,713	63,434,074
Selling expenses	25	23	12,495,800,685	7,072,886,564
General and administration expenses	26	24	42,431,017,079	7,350,575,690
Net operating (loss)/profit {30 = 20 + (21 - 22) - (25 + 26)}	30		(98,900,084,946)	3,920,650,882
Accounting (loss)/profit before tax (50 = 30)	50		(98,900,084,946)	3,920,650,882
Income tax expense – current	51	26	(389,927,696)	2,175,162,475
Net (loss)/profit after tax (60 = 50 - 51)	60		(98,510,157,250)	1,745,488,407

28 June 2022

Prepared by:

Approved by:



Nguyen Thi Thao  
Accountant



*The accompanying notes are an integral part of these financial statements*



**HCL Vietnam Company Limited**  
**Statement of cash flows for the year ended 31 March 2022**  
**(Indirect method)**

**Form B 03 – DN**  
*(Issued under Circular No. 200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	Year ended 31/3/2022 VND	From 16/3/2020 to 31/3/2021 VND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>(Loss)/profit before tax</b>	<b>01</b>		<b>(98,900,084,946)</b>	<b>3,920,650,882</b>
<b>Adjustments for</b>				
Depreciation and amortisation	02		6,320,697,963	1,353,737,470
Allowances and provisions	03		2,036,863,773	-
Exchange (gain)/loss arising from revaluation of monetary items denominated in foreign currencies	04		(81,111,154)	41,809,654
Interest expense	06		887,344,713	63,434,074
<b>Operating (loss)/profit before changes in working capital</b>	<b>08</b>		<b>(89,736,289,651)</b>	<b>5,379,632,080</b>
Change in receivables	09		(20,348,562,509)	(38,602,178,307)
Change in payables and other current liabilities	11		28,907,220,564	19,687,626,077
Change in prepaid expenses	12		(32,837,396,430)	(6,431,766,803)
			<b>(114,015,028,026)</b>	<b>(19,966,686,953)</b>
Income tax paid	15		(1,785,842,713)	-
<b>Net cash flows from operating activities</b>	<b>20</b>		<b>(115,800,870,739)</b>	<b>(19,966,686,953)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for additions to fixed assets and other long-term assets	21		(67,271,390,204)	(5,830,695,793)
<b>Net cash flows from investing activities</b>	<b>30</b>		<b>(67,271,390,204)</b>	<b>(5,830,695,793)</b>

*The accompanying notes are an integral part of these financial statements*

**HCL Vietnam Company Limited**  
**Statement of cash flows for the year ended 31 March 2022**  
**(Indirect method - continued)**

**Form B 03 – DN**  
*(Issued under Circular No. 200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	Year ended 31/3/2022 VND	From 16/3/2020 to 31/3/2021 VND
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from capital contributions by owner	31		80,602,500,000	2,316,700,000
Proceeds from borrowings	33		104,837,800,000	32,246,000,000
<b>Net cash flows from financing activities</b>	<b>40</b>		<b>185,440,300,000</b>	<b>34,562,700,000</b>
<b>Net cash flows during the year/period (50 = 20 + 30 + 40)</b>	<b>50</b>		<b>2,368,039,057</b>	<b>8,765,317,254</b>
<b>Cash and cash equivalents at the beginning the year/period</b>	<b>60</b>		<b>8,765,317,254</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the year/period (70 = 50 + 60)</b>	<b>70</b>	<b>4</b>	<b>11,133,356,311</b>	<b>8,765,317,254</b>

28 June 2022

Prepared by:



Nguyen Thi Thao  
Accountant

Approved by:



Sundaram Sridharan  
Director

*The accompanying notes are an integral part of these financial statements*

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

## **1. Reporting entity**

### **(a) Ownership structure**

HCL Vietnam Company Limited (“the Company”) is incorporated as a limited liability company in Vietnam.

### **(b) Principal activities**

The principal activities of the Company comprise:

- consultancy services related to the installation of computer hardware (CPC 8410);
- computer and software consultant service (CPC 842);
- data processing service (excluding data processing in the telecommunications sector);
- database service (CPC 844); and
- other computer services (CPC 849).

### **(c) Normal operating cycle**

The normal operating cycle of the Company is generally within 12 months.

### **(d) Company structure**

As at 31 March 2022, the Company had 483 employees (1/4/2021: 41 employees).

## **2. Basis of preparation**

### **(a) Statement of compliance**

The financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.

### **(b) Basis of measurement**

The financial statements, except for the statement of cash flows, are prepared on the accrual basis using the historical cost concept. The statement of cash flows is prepared using the indirect method.



**(c) Going concern assumption**

The financial statements have been prepared on a going concern basis. The Company has incurred a net loss after tax and negative cash flows from operating activities of VND98,510 million and VND115,801 million respectively during the year (period from 16/3/2020 to 31/3/2021: net profit after tax of VND1,745 million and negative cash flows from operating activities of VND19,967 million). At the end of the annual accounting period, current liabilities exceeded current assets by VND136,619 million (1/4/2021: VND24,993 million) and total liabilities exceeded total assets by VND13,845 million (1/4/2021: total assets exceeded total liabilities by VND4,062 million). Furthermore, the Company has significant loans that will require refinancing within the next 12 months (Note 15). The validity of the going concern assumption fundamentally depends on the ultimate parent company continuing to provide such financial assistance as is necessary to enable the Company to meet its liabilities as and when they fall due and to maintain the Company in existence as a going concern for the foreseeable future.

At the time of this report, there is no reason for the Company's management to believe that the ultimate parent company will not continue its support.

**(d) Annual accounting period**

The first accounting period of the Company was from 16 March 2020 (date of incorporation) to 31 March 2021. Succeeding annual accounting period is from 1 April to 31 March.

**(e) Accounting and presentation currency**

The Company's accounting currency is Vietnam Dong ("VND"), which is also the currency used for financial statement presentation purpose.

**3. Summary of significant accounting policies**

The following significant accounting policies have been adopted by the Company in the preparation of these financial statements.

**(a) Foreign currency transactions**

Transactions in currencies other than VND during the year/period have been translated into VND at rates approximating actual rates of exchange ruling at the transaction dates.

Monetary assets and liabilities denominated in currencies other than VND are translated into VND at the account transfer selling rate and account transfer buying rate, respectively, at the end of the annual accounting period quoted by the commercial bank where the Company most frequently conducts transactions.

All foreign exchange differences are recorded in the statement of income.

**(b) Cash**

Cash comprises cash balances and call deposits.

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**(c) Accounts receivable**

Trade and other receivables are stated at cost less allowance for doubtful debts.

**(d) Tangible fixed assets**

**(i) Cost**

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition for its intended use. Expenditure incurred after tangible fixed assets have been put into operation, such as repair, maintenance and overhaul cost, is charged to the statement of income in the year/period in which the cost is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditure is capitalised as an additional cost of tangible fixed assets.

**(ii) Depreciation**

Depreciation is computed on a straight-line basis over the estimated useful lives of tangible fixed assets. The estimated useful lives are as follows:

▪ leasehold improvement	5 - 7 years
▪ machinery and equipment	10 years
▪ information technology ("IT") equipment	5 years
▪ office equipment	5 - 7 years

**(e) Construction in progress**

Construction in progress represents the costs of office equipment which have not been fully installed. No depreciation is provided for construction in progress during the period of installation.

**(f) Long-term prepaid expenses**

***Tools and instruments***

Tools and instruments include assets held for use by the Company in the normal course of business whose costs of individual items are less than VND30 million and therefore not qualified for recognition as fixed assets under prevailing regulations. Cost of tools and instruments are amortised on a straight-line basis over 4 years.

**(g) Trade and other payables**

Trade and other payables are stated at their cost.

**(h) Contributed capital**

Contributed capital is recognised on the contribution date at the actual amount contributed less any directly attributable transaction costs.

**(i) Taxation**

Income tax on the loss for the year/period comprises current and deferred tax. Income tax is recognised in the statement of income except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year/period, using tax rates enacted at the end of the annual accounting period, and any adjustment to tax payable in respect of previous period.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities using the tax rates enacted or substantively enacted at the end of the annual accounting period.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**(j) Revenue**

***Services rendered***

Revenue from services rendered is recognised in the statement of income in proportion to the stage of completion of the transaction at the balance sheet date. The stage of completion is assessed by reference to surveys of work performed. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

**(k) Leases**

***Lease payments***

Payments made under operating leases are recognised in the statement of income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the statement of income as an integral part of the total lease expense, over the term of the lease.

**(l) Borrowing costs**

Borrowing costs are recognised as an expense in the year in which they are incurred.

**(m) Related parties**

Parties are considered to be related to the Company if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, or where the Company and the other party are subject to common control or significant influence. Related parties may be individuals or corporate entities and include close family members of any individual considered to be a related party.

Related companies refer to the investor, its ultimate parent company and its subsidiaries and associates.

**(n) Comparative information**

Comparative information in these financial statements is presented as corresponding figures. Under this method, comparative information for the prior period is included as an integral part of the current year's financial statements and is intended to be read only in relation to the amounts and other disclosures relating to the current year. Accordingly, the comparative information included in these financial statements is not intended to present the Company's financial position, results of operation or cash flows for the prior period.

**4. Cash and cash equivalents**

	<b>31/3/2022</b> <b>VND</b>	<b>1/4/2021</b> <b>VND</b>
Cash at banks	11,133,356,311	8,765,317,254



**5. Accounts receivable from customers****Accounts receivable from customers detailed by significant customers and related parties**

	<b>31/3/2022</b> <b>VND</b>	<b>1/4/2021</b> <b>VND</b>
<b>The ultimate parent company</b>		
HCL Technologies Limited	4,178,520,765	2,863,983,667
<b>Related companies</b>		
HCL Japan Limited	5,414,866,478	-
HCL Singapore Pte. Limited	4,869,534,654	15,324,501,453
HCL Technologies Corporate Services Limited	4,339,823,810	11,384,484,696
HCL Technologies Ltd. - Swiss Branch	1,196,566,490	320,244,052
HCL America Inc.	1,122,271,237	1,017,451,620
PT HCL Technologies Indonesia Limited	236,429,100	1,159,313,148
Others	3,828,278,267	-
<b>Other parties</b>		
Sherwin-Williams (Vietnam) Ltd.	7,659,901,268	216,090,336
IBM Vietnam Company Limited	2,393,369,336	-
Panasonic Vietnam Co., Ltd.	-	215,677,203
The Valspar (Vietnam) Corporation Limited	-	157,320,000
Others	1,300,675,987	-
	<b>36,540,237,392</b>	<b>32,659,066,175</b>

The trade related amounts due from the related companies were unsecured, interest free and are due in 60 to 90 days from invoice date.



# HCL Vietnam Company Limited

## Notes to the financial statements for the year ended 31 March 2022 (continued)

Form B 09 – DN

(Issued under Circular No. 200/2014/TT-BTC

dated 22 December 2014 of the Ministry of Finance)

### 6. Bad and doubtful debts

	Overdue days	31/3/2022			1/4/2021		
		Cost VND	Allowance VND	Recoverable amount VND	Overdue days	Cost VND	Allowance VND
<i>Overdue debts</i>							
IBM Vietnam	181 – 270 days	2,393,369,336	(2,036,863,773)	356,505,563	-	-	-
Company Limited							

### 7. Other short-term and long-term receivables

	31/3/2022 VND	1/4/2021 VND
<b>Other short-term receivables</b>		
Deposits for office rental contracts	2,838,831,199	-
Others	186,190,430	6,596,000
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	3,025,021,629	6,596,000
	<hr/>	<hr/>
<b>Other long-term receivables</b>		
Deposits for office rental contracts	4,587,972,840	2,525,328,568
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# HCL Vietnam Company Limited

## Notes to the financial statements for the year ended 31 March 2022 (continued)

**Form B 09 – DN**  
(Issued under Circular No. 200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)

### 8. Tangible fixed assets

Cost	Leasehold improvement VND	Machinery and equipment VND	IT equipment VND	Office equipment VND	Total VND
Opening balance	-	-	21,458,579,618	144,284,000	21,602,863,618
Additions	33,256,508,145	11,453,942,108	8,705,936,424	243,551,316	53,659,937,993
Transfer from construction in progress	-	-	755,626,024	-	755,626,024
Closing balance	33,256,508,145	11,453,942,108	30,920,142,066	387,835,316	76,018,427,635
<b>Accumulated depreciation</b>					
Opening balance	-	-	1,346,711,590	7,025,880	1,353,737,470
Charge for the year	938,987,459	229,424,430	5,144,098,797	8,187,277	6,320,697,963
Closing balance	938,987,459	229,424,430	6,490,810,387	15,213,157	7,674,435,433
<b>Net book value</b>					
Opening balance	-	-	20,111,868,028	137,258,120	20,249,126,148
Closing balance	32,317,520,686	11,224,517,678	24,429,331,679	372,622,159	68,343,992,202

**9. Construction in progress**

	<b>31/3/2022</b> <b>VND</b>	<b>1/4/2021</b> <b>VND</b>
Opening balance	995,595,488	-
Additions during the year/period	19,241,952,484	995,595,488
Transfer to tangible fixed assets	(755,626,024)	-
Closing balance	19,481,921,948	995,595,488

Construction in progress represented the cost of office equipment which has not been installed.

**10. Prepaid expenses****(a) Short-term prepaid expenses**

	<b>31/3/2022</b> <b>VND</b>	<b>1/4/2021</b> <b>VND</b>
Rental fee	5,196,409,974	670,000,000
Service charges	1,390,294,800	-
Annual maintenance costs and license fees	756,123,947	-
Others	1,122,056,868	476,364,494
	8,464,885,589	1,146,364,494

**(b) Long-term prepaid expenses**

	<b>Tools and supplies</b> <b>VND</b>
Opening balance	5,285,402,309
Purchases	28,861,078,425
Amortisation	(3,342,203,090)
Closing balance	30,804,277,644

**11. Accounts payable to suppliers****Accounts payable to suppliers detailed by significant suppliers**

	<b>Cost and amount within payment capacity</b>	
	<b>31/3/2022</b>	<b>1/4/2021</b>
	<b>VND</b>	<b>VND</b>
		<b>Reclassified</b>
<b>Related parties</b>		
HCL Technologies Vietnam Company Limited	2,082,287,139	3,110,301,425
HCL Technologies Limited	2,486,854,824	-
HCL Singapore Pte. Limited	193,216,896	-
HCL Canada Inc.-SD	193,721,028	-
HCL Technologies (Shanghai) Limited	15,383,217	-
<b>Other parties</b>		
Modernform Company Limited	15,328,109,929	-
Mossad Vietnam Company Limited	5,756,712,500	990,407,000
VFM Systems Hong Kong Co., Ltd.	1,643,909,243	3,958,803,180
Cubix Tech Integration Private Limited	1,364,984,445	2,200,296,600
CMC Saigon Technology and Solution Co., Ltd.	169,834,500	5,703,718,317
FPT Information System Co., Ltd.	120,983,500	5,609,937,400
Dentsu Vietnam Co., Ltd.	-	2,341,288,243
Other suppliers	15,298,522,839	3,055,621,698
	<b>44,654,520,060</b>	<b>26,970,373,863</b>

**12. Advances from customers**

	<b>31/3/2022</b>	<b>1/4/2021</b>
	<b>VND</b>	<b>VND</b>
<b>Related companies</b>		
HCL Technologies Vietnam Company Limited	1,133,169,425	-
HCL Technologies UK Limited	3,425,550,000	-
HCL Technologies Malaysia SDN BHD	2,323,710,881	-
HCL Technologies Germany GmbH	1,605,294,793	-
HCL Singapore Pte. Limited	945,867,036	-
	<b>9,433,592,135</b>	<b>-</b>



**13. Taxes payable to State Treasury**

	1/4/2021 VND	Incurred VND	Paid/adjusted VND	31/3/2022 VND
Corporate income tax	2,175,162,475	-	(2,175,162,475)	-
Foreign contractor tax	-	374,937,910	-	374,937,910
	2,175,162,475	374,937,910	(2,175,162,475)	374,937,910

**14. Accrued expenses**

	31/3/2022 VND	1/4/2021 VND
Marketing expenses	1,476,529,481	4,010,881,933
Computer consumables	554,812,194	2,730,720,000
Repair maintenance	491,648,766	852,675,000
Legal and professional costs	292,071,038	485,850,015
Loan interest	950,498,548	63,434,074
Others	2,091,921,293	718,751,368
	5,857,481,320	8,862,312,390

**15. Short-term borrowings**

	<b>1/4/2021</b> <b>Carrying amount</b> <b>and amount within</b> <b>repayment capacity</b> <b>VND</b>	<b>Movements during the year</b>  <b>Addition</b> <b>VND</b>	<b>Foreign</b> <b>exchange</b> <b>differences</b> <b>VND</b>	<b>31/3/2022</b> <b>Carrying amount</b> <b>and amount within</b> <b>repayment capacity</b> <b>VND</b>
Short-term borrowings	32,306,400,000	104,837,800,000	(122,200,000)	137,022,000,000

Terms and conditions of short-term borrowings were as follows:

	<b>Currency</b>	<b>Annual interest</b> <b>rate</b>	<b>31/3/2022</b> <b>VND</b>	<b>1/4/2021</b> <b>VND</b>
HCL Technologies UK Limited – the investor	USD	LIBOR plus 1%	137,022,000,000	32,246,000,000

The short-term borrowing from the investor was unsecured.

**16. Changes in owner's equity**

	<b>Contributed</b> <b>capital</b> <b>VND</b>	<b>Retained profits/</b> <b>(accumulated losses)</b> <b>VND</b>	<b>Total</b> <b>VND</b>
<b>Balance at 16 March 2020</b> <b>(date of incorporation)</b>	-	-	-
Capital contribution	2,316,700,000	-	2,316,700,000
Net profit for the period	-	1,745,488,407	1,745,488,407
<b>Balance at 1 April 2021</b>	2,316,700,000	1,745,488,407	4,062,188,407
Capital contribution	80,602,500,000	-	80,602,500,000
Net loss for the year	-	(98,510,157,250)	(98,510,157,250)
<b>Balance at 31 March 2022</b>	82,919,200,000	(96,764,668,843)	(13,845,468,843)

**17. Contributed capital**

The Company's authorised and contributed charter capital are:

	Authorised		Contributed	
	VND	USD equivalent	VND	USD equivalent
HCL Technologies UK Limited	156,072,500,000	7,000,000	82,919,200,000	3,600,000

The ultimate parent company, HCL Technologies Limited, is incorporated in India.

The Company's authorised charter capital has been fully contributed by HCL Technologies UK Limited subsequent to the reporting date in April and May 2022.

Movements in contributed charter capital during the year/period were as follows:

	Year ended 31/3/2022 VND	From 16/3/2020 to 31/3/2021 VND
Balance at the beginning of the year/period	2,316,700,000	-
Cash contribution by HCL Technologies UK Limited	80,602,500,000	2,316,700,000
Balance at the end of the year/period	82,919,200,000	2,316,700,000

**18. Off balance sheet items****(a) Lease commitments**

The future minimum lease payments under non-cancellable leases were:

	31/3/2022 VND	1/4/2021 VND
Within one year	15,858,926,800	2,010,000,000
From 2 to 5 years	44,341,135,488	-
	60,200,062,288	2,010,000,000

**(b) Foreign currency**

	31/3/2022		1/4/2021	
	Original currency	VND equivalent	Original currency	VND equivalent
USD	248,125	5,666,434,965	250,000	5,769,000,000

**19. Revenue from sales of services**

Total revenue represents the gross value of services rendered exclusive of value added tax.

**20. Cost of sales**

	Year ended 31/3/2022 VND	From 16/3/2020 to 31/3/2021 VND
Labour costs	58,174,445,004	2,332,858,358
Material and services	7,108,408,502	7,078,256,244
Rental fee for offices	16,774,271,904	2,595,426,645
Outside services	11,433,915,763	2,108,653,881
Research and development	1,330,513,385	-
Others	369,373,611	27,614,183
	95,190,928,169	14,142,809,311

**21. Financial income**

	Year ended 31/3/2022 VND	From 16/3/2020 to 31/3/2021 VND
Realised exchanged gains	950,736,229	108,877,401
Unrealised exchanged gains	123,507,196	18,590,346
	1,074,243,425	127,467,747



**22. Financial expense**

	<b>Year ended 31/3/2022 VND</b>	<b>From 16/3/2020 to 31/3/2021 VND</b>
Interest expense	887,344,713	63,434,074
Realised exchanged loss	2,621,544,036	175,777,401
Unrealised exchanged loss	42,396,042	60,400,000
	<hr/>	<hr/>
	3,551,284,791	299,611,475
	<hr/>	<hr/>

**23. Selling expenses**

	<b>Year ended 31/3/2022 VND</b>	<b>From 16/3/2020 to 31/3/2021 VND</b>
Staff costs	8,935,019,569	85,832,327
Marketing expenses	3,133,582,331	6,984,864,237
Other expenses	427,198,785	2,190,000
	<hr/>	<hr/>
	12,495,800,685	7,072,886,564
	<hr/>	<hr/>

**24. General and administration expenses**

	<b>Year ended 31/3/2022 VND</b>	<b>From 16/3/2020 to 31/3/2021 VND</b>
Staff costs	25,688,406,817	3,145,793,611
Depreciation	6,320,697,963	1,353,737,470
Outside services	4,564,239,717	2,317,280,622
Allowance for doubtful debts	2,036,863,773	-
Other expenses	3,820,808,809	533,763,987
	<hr/>	<hr/>
	42,431,017,079	7,350,575,690
	<hr/>	<hr/>

**25. Business costs by element**

	<b>Year ended 31/3/2022 VND</b>	<b>From 16/3/2020 to 31/3/2021 VND</b>
Labour costs and staff costs	92,797,871,390	5,564,484,296
Depreciation	6,320,697,963	1,353,737,470
Outside services	43,014,418,217	21,084,481,629
Allowance for doubtful debts	2,036,863,773	-
Research and development	1,330,513,385	-
Other expenses	4,617,381,205	563,568,170

**26. Income tax****(a) Recognised in the statement of income**

	<b>Year ended 31/3/2022 VND</b>	<b>From 16/3/2020 to 31/3/2021 VND</b>
<b>Current tax expense</b>		
Current year/period	-	2,175,162,475
Over provision in prior period	(389,927,696)	-
	<b>(389,927,696)</b>	<b>2,175,162,475</b>

**(b) Reconciliation of effective tax rate**

	<b>Year ended 31/3/2022 VND</b>	<b>From 16/3/2020 to 31/3/2021 VND</b>
Accounting (loss)/profit before tax	(98,900,084,946)	3,920,650,882
Tax at the Company's tax rate	(19,780,016,989)	784,130,176
Non-deductible expenses	82,596,775	462,839,509
Unrecognised deferred tax	19,697,420,214	1,860,405,280
Over provision in prior period	(389,927,696)	-
Tax reductions	-	(932,212,490)
	<b>(389,927,696)</b>	<b>2,175,162,475</b>

**(c) Unrecognised deferred tax asset**

Deferred tax asset has not been recognised in respect of the following item:

	31/3/2022		1/4/2021	
	Temporary difference VND	Tax value VND	Temporary difference VND	Tax value VND
Deductible temporary differences	15,459,086,570	3,091,817,314	8,826,436,109	1,765,287,222
Tax losses (*)	91,854,450,607	18,370,890,122	-	-
	107,313,537,177	21,462,707,436	8,826,436,109	1,765,287,222

(\*) Tax losses will expire in 2027.

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilise the benefits therefrom.

**(d) Applicable tax rates**

According to the prevailing income tax regulations, the Company has an obligation to pay the Government income tax at the rate of 20%.



**27. Significant transactions with related parties**

In addition to related party balances disclosed in other notes to the financial statements, the Company had the following significant transactions with its related parties during the year/period:

	Transaction value	
	Year ended 31/3/2022 VND	From 16/3/2020 to 31/3/2021 VND
<i>The investor</i>		
<b>HCL Technologies UK Limited</b>		
Capital contribution	80,602,500,000	2,316,700,000
Borrowings	104,837,800,000	32,246,000,000
Interest expense	887,344,713	63,434,074
Sales of services	659,434,400	-
<i>The ultimate parent company</i>		
<b>HCL Technologies Limited</b>		
Sales of services	4,832,315,988	2,863,983,667
Consulting charges	2,095,935,822	-
<i>Other related parties</i>		
<b>HCL Singapore Pte. Limited</b>		
Sales of services	10,700,973,335	15,324,501,453
Consulting charges	191,830,682	-
<b>HCL Technologies Corporate Services Limited</b>		
Sales of services	6,485,259,550	11,384,484,696
<b>PT HCL Technologies Indonesia Limited</b>		
Sales of services	-	1,159,313,148
<b>HCL America Inc.</b>		
Sales of services	1,344,926,577	1,017,451,620
<b>HCL Technologies Ltd. - Swiss Branch</b>		
Sales of services	2,747,866,887	320,244,052
<b>HCL Hong Kong SAR Limited</b>		
Sales of services	2,312,797,808	-
<b>HCL Japan Limited, Japan</b>		
Sales of services	5,414,866,478	-
<b>Hcl Technologies Czech Republic S.R.O.</b>		
Sales of services	1,437,717,479	-
<b>HCL Technologies France</b>		
Sales of services	1,344,036,061	-



**HCL Vietnam Company Limited****Notes to the financial statements for the year ended 31 March 2022 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

	<b>Transaction value</b>	
	<b>Year ended 31/3/2022 VND</b>	<b>From 16/3/2020 to 31/3/2021 VND</b>
<b>HCL Technologies Germany GmbH</b>		
Sales of services	3,459,197,168	-
<b>Other related companies</b>		
Sales of services and consulting charges	1,453,174,659	-

**28. Comparative information**

Unless otherwise stated, comparative information as at 1 April 2021 were derived from the balances and amounts reported in the Company's financial statements as at and for the period from 16 March 2020 (date of incorporation) to 31 March 2021.

During the preparation of the financial statements for the current year, the Company's management reclassified the items in the financial statements for the period from 16 March 2020 (date of incorporation) to 31 March 2021 as follows:

	<b>31/3/2022 VND (As reclassified)</b>	<b>1/4/2021 VND (As previously reported)</b>
Accounts payable to suppliers	26,970,373,863	23,860,072,438
Other payables – short-term	-	3,110,301,425

28 June 2022

Prepared by:



Nguyen Thi Thao  
Accountant

Approved by:



Sundaram Sridharan  
Director