

HCL Technologies Angola (SU), LDA.
Financial Statements
For the year ended 31 December 2021

B S R & Co. LLP

Chartered Accountants

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Independent Auditor's Report

To the Board of Directors of HCL Technologies Angola (SU), LDA.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of HCL Technologies Angola (SU), LDA ("the Company"), which comprise the Balance Sheet as at 31 December 2021, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (collectively referred to as 'the financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 December 2021, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Management's and Board of Directors' Responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Schedule III (Division II) to the Companies Act, 2013, as applicable, to the financial statements. This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that

Principal Office:

were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Other Matter-Restriction on Use

These financial statements are prepared for the use of the Company and the ultimate holding Company, HCL Technologies Limited, to comply with the requirements of the Act. 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. Our report must not be copied, disclosed, quoted, or referred to, in correspondence or discussion, in whole or in part to anyone other than the purpose for which it has been issued without our prior written consent.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No. 101248W/W-100022

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Place: Gurugram, India

Date: 25 May 2022

Vimal Chauhan

Partner

Membership No.: 511230

ICAI UDIN: 22511230AJOAQA7816

HCL Technologies Angola (SU), LDA.**Balance Sheet as at 31 December 2021**

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

	Note No.	As at 31 December 2021 (AOA)	As at 31 December 2020 (AOA) Refer note 1(a)
I. ASSETS			
(1) Non-current assets			
(a) Deferred tax assets	2.11	1,032	-
Total non-current assets		1,032	-
(2) Current assets			
(a) Financial assets			
(i) Trade receivables	2.1	146,337	-
(ii) Cash and cash equivalents	2.2	135,462	-
(b) Other current assets	2.3	148	-
Total current assets		281,947	-
TOTAL ASSETS		282,979	-
II. EQUITY			
(a) Equity share capital	2.4	22,452	-
(b) Other equity		18,404	-
Equity attributable to shareholders of the Company		40,856	-
TOTAL EQUITY		40,856	-
III. LIABILITIES			
(1) Current liabilities			
(a) Financial liabilities			
(i) Trade payables	2.5	51,617	-
(ii) Others	2.6	147,328	-
(b) Other current liabilities	2.7	36,011	-
(c) Current tax liabilities	2.11	7,167	-
Total current liabilities		242,123	-
TOTAL EQUITY AND LIABILITIES		282,979	-
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

ICAI Firm Registration Number : 101248W/W-100022

Chartered Accountants

*vimal chauhan***Vimal Chauhan****Partner**

Membership Number: 511230

Gurugram, India

Date: 25 May 2022

For and on behalf of the Board of Directors
of HCL Technologies Angola (SU), LDA.*Shiv Kumar Walia***Shiv Kumar Walia****Director***Rahul Singh***Rahul Singh****Director**

Date: 25 May 2022

HCL Technologies Angola (SU), LDA.**Statement of Profit and Loss for the year ended 31 December 2021**

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

	Note No.	Year ended 31 December 2021 (AOA)	Period ended 31 December 2020 (AOA) Refer note 1(a)
I. Revenue			
Revenue from operations	2.8	257,228	-
Total income		257,228	-
II. Expenses			
Outsourcing cost		200,310	-
Finance costs	2.9	16	-
Other expenses	2.10	32,363	-
Total expenses		232,689	-
III. Profit before tax		24,539	-
IV. Tax expense			
Current tax	2.11	7,167	-
Deferred tax (credit)	2.11	(1,032)	-
Total tax expense		6,135	-
V. Profit for the year/period		18,404	-
VI. Other comprehensive income		-	-
VII. Total Comprehensive Income for the year/period		18,404	-
Earnings per equity share of par value AOA 22,452 each			
Basic	2.14	18,404	-
Diluted	2.14	18,404	-
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**ICAI Firm Registration Number : 101248W/W-100022**

Chartered Accountants

*vimal chauhan***Vimal Chauhan****Partner**

Membership Number: 511230

Gurugram, India

Date: 25 May 2022

**For and on behalf of the Board of Directors
of HCL Technologies Angola (SU), LDA.***Shiv Kumar Walia***Shiv Kumar Walia**

Director

*Rahul Singh***Rahul Singh**

Director

Date: 25 May 2022

HCL Technologies Angola (SU), LDA.**Statement of Changes in Equity for the year ended 31 December 2021**

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

	Equity share capital	Other Equity
	(AOA)	(AOA)
Balance as at 30 June 2020	-	-
Issue of Share Capital	-	-
Profit for the period	-	-
Total comprehensive income for the period	-	-
Balance as at 31 December 2020	-	-
Issue of Share Capital	22,452	-
Profit for the year	-	18,404
Total comprehensive income for the year	-	18,404
Balance as at 31 December 2021	22,452	18,404

Refer note 1 for summary of significant accounting policies

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

*vimal chauhan***Vimal Chauhan****Partner**

Membership Number: 511230

Gurugram, India

Date: 25 May 2022

For and on behalf of the Board of Directors
of HCL Technologies Angola (SU), LDA.*Shiv Kumar Walia***Shiv Kumar Walia**

Director

*Rahul Singh***Rahul Singh**

Director

Date: 25 May 2022

HCL Technologies Angola (SU), LDA.**Statement of Cash Flows for the year ended 31 December 2021**

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

	Note No.	Year ended 31 December 2021 (AOA)	Period ended 31 December 2020 (AOA) Refer note 1(a)
Cash flows from operating activities			
Profit before tax		24,539	-
Net change in:			
Trade receivables		(146,337)	-
Trade payables		51,617	-
Other financial liabilities		147,328	-
Other current assets		(148)	-
Other current liabilities		36,011	-
Cash generated from operations		113,010	-
Income taxes paid (net of refunds)		-	-
Net cash generated from operating activities (A)		113,010	-
Net cash from investing activities (B)		-	-
Cash from financing activities			
Proceeds from issue of share capital		22,452	-
Net cash flow from financing activities (C)		22,452	-
Net increase in cash and cash equivalents (A+B+C)		135,462	-
Cash and cash equivalents at the beginning of the year/period		-	-
Cash and cash equivalents at the end of the year/period	2.2	135,462	-
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**ICAI Firm Registration Number : 101248W/W-100022**

Chartered Accountants

*vimal chauhan***Vimal Chauhan****Partner**

Membership Number: 511230

Gurugram, India

Date: 25 May 2022

**For and on behalf of the Board of Directors
of HCL Technologies Angola (SU), LDA.***Shiv Kumar Walia***Shiv Kumar Walia**

Director

*Rahul Singh***Rahul Singh**

Director

Date: 25 May 2022

HCL Technologies Angola (SU), LDA.

Notes to financial statements for the year ended 31 December 2021

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

ORGANIZATION AND NATURE OF OPERATIONS

HCL Technologies Angola (SU), LDA. (hereinafter referred to as the 'Company') is primarily engaged in business of development, installation and implementation of software and management services. The Company was incorporated in Angola on 30 June 2020, having its registered office at Luanda, Municipality of Luanda, District and Neighborhood of Ingombota, José da Silva Lameira Street, Building Kaluanda, Floor 2, Office 2001.

The financial statements for the year ended 31 December 2021 were approved and authorized for issue by the Board of Directors on 25 May 2022.

1. Significant Accounting Policies

a) Basis of preparation

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Schedule III (Division II) to the Companies Act, 2013, as applicable, to the financial statements. 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 do not constitute a set of statutory financial statements in accordance with local laws of the Country in which the Company is incorporated. These financial statements are prepared for the use of the Company and the ultimate holding Company, HCL Technologies Limited, to comply with the requirements of the Act.

These financial statements have been prepared under the historical cost convention on an accrual and going concern basis except for certain financial assets and liabilities measured at fair value (refer accounting policy note 1.g regarding financial instruments).

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous year except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy.

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 AOA.

As these are the first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. However, there was no transaction in previous period from 30 June 2020 to 31 December 2020 and accordingly company prepared the financial statement as per IND AS for the first time in current year.

b) Use of estimates

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

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

- i. Allowance for uncollectible accounts receivables, refer note 1(g)(i)
- ii. Recognition of income and deferred taxes, refer note 1(f) and note 2.11
- iii. Provisions and contingent liabilities, refer note 1(j) and note 2.15

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, 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 transactions

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

HCL Technologies Angola (SU), LDA.

Notes to financial statements for the year ended 31 December 2021

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

c) Foreign currency transactions (continued)

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

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

d) Fair value measurement

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

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

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

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

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

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

- a) **Market approach** – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.
- b) **Income approach** – Converting the future amounts based on market expectations to its present value using the discounting methodology.
- c) **Cost approach** – Replacement cost method.

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

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

HCL Technologies Angola (SU), LDA.**Notes to financial statements for the year ended 31 December 2021**

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

e) Revenue Recognition (continued)**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.

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

Multiple performance obligation

When a sales arrangement contains multiple performance, such as services, hardware and Licensed IPs (software) or combinations of each of them revenue for each element is based on a five-step approach as defined above. To the extent a contract includes multiple promised deliverables, judgment is applied to determine whether promised deliverables are capable of being distinct and are distinct in the context of the contract. If these criteria are not met, the promised deliverables are accounted for as a combined performance obligation. For arrangements with multiple distinct performance obligations or series of distinct performance obligations, consideration is allocated among the performance obligations based on their relative selling price. selling price is the price at which entity would sell a promised good or service separately to the customer. When not directly observable, we typically estimate selling price by using the expected cost plus a margin approach. We typically establish a selling price range for our deliverables, which is reassessed on a periodic basis or when facts and circumstances change. If the arrangement contains obligations related to License of Intellectual property (Software) or Lease deliverable, the arrangement consideration allocated to the Software deliverables, lease deliverable as an entity is then allocated to each software obligation and lease deliverable.

Revenue recognition for delivered elements is limited to the amount that is not contingent on the future delivery of products or services, future performance obligations or subject to customer-specified return or refund privileges.

Volume discounts, or any other form of variable consideration is estimated using either the sum of probability weighted amounts in a range of possible consideration amounts (expected value), or the single most likely amount in a range of possible consideration amounts (most likely amount), depending on which method better predicts the amount of consideration realizable. Transaction price includes variable consideration only to the extent it is probable that a significant reversal of revenues recognized will not occur when the uncertainty associated with the variable consideration is resolved. Our estimates of variable consideration and determination of whether to include estimated amounts in the transaction price may involve judgment and are based largely on an assessment of our anticipated performance and all information that is reasonably available to us.

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

HCL Technologies Angola (SU), LDA.

Notes to financial statements for the year ended 31 December 2021

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

f) Income Taxes

Income tax expense comprises current and deferred income tax.

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

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

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

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

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

g) Financial Instruments

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

i. Financial assets

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

Financial instruments at amortized cost

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

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

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

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

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

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent solely payments of principal and interest.

Financial instruments included within the OCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from OCI to statement of profit and loss.

HCL Technologies Angola (SU), LDA.**Notes to financial statements for the year ended 31 December 2021**

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

g) Financial Instruments (continued)***Financial instrument at Fair Value through Profit and Loss***

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

Derecognition of financial assets

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

Impairment of financial assets

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

ii. Financial liabilities

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

Derecognition

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

Offsetting of financial instruments

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

h) Earnings per share

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

Diluted EPS amounts are computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as at the beginning of the year, unless issued at a later date. Dilutive potential equity shares are determined independently for each year presented.

i) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise balances with banks.

j) 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.

HCL Technologies Angola (SU), LDA.**Notes to financial statements for the year ended 31 December 2021**

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

2.1 Trade Receivable

	As at	
	31 December 2021 (AOA)	31 December 2020 (AOA)
Unsecured considered good	146,337	-
Trade receivables which have significant increase in credit risk	-	-
	146,337	-
Impairment Allowance for bad and doubtful debts	-	-
	146,337	-

2.2 Cash and cash equivalents

	As at	
	31 December 2021 (AOA)	31 December 2020 (AOA)
Balance with banks		
- in current accounts	135,462	-
	135,462	-

2.3 Other current assets

	As at	
	31 December 2021 (AOA)	31 December 2020 (AOA)
Prepaid expenses	148	-
	148	-

HCL Technologies Angola (SU), LDA.**Notes to financial statements for the year ended 31 December 2021**

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

2.4 Share capital

	As at	
	31 December 2021 (AOA)	31 December 2020 (AOA)
Authorised capital		
1 Equity share of AOA 22,452 each	22,452	-
Issued, subscribed and fully paid up		
1 Equity share of AOA 22,452 each	22,452	-
	22,452	-

Terms/ rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of AOA 22,452/- thousands. 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

	As at			
	31 December 2021		31 December 2020	
	No. of shares	Amount (AOA)	No. of shares	Amount (AOA)
Number of shares at the beginning	-	-	-	-
Add: Shares issued during the period	1	22,452	-	-
Number of shares at the end	1	22,452	-	-

Shares held by holding Company:-

	As at			
	31 December 2021		31 December 2020	
	No. of shares	Amount (AOA)	No. of shares	Amount (AOA)
Equity shares of AOA 22,452 each fully paid				
HCL Tehnologies UK Limited, the holding company	1	22,452	-	-

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

	As at			
	31 December 2021		31 December 2020	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of AOA 22,452 each fully paid				
HCL Tehnologies UK Limited, the holding company	1	100.00%	-	-

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

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

Capital management

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

HCL Technologies Angola (SU), LDA.**Notes to financial statements for the year ended 31 December 2021**

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

2.5 Trade Payables

	As at	
	31 December 2021 (AOA)	31 December 2020 (AOA)
Trade payables	1,509	-
Trade payables - related parties (refer note 2.13(d))	50,108	-
	51,617	-

2.6 Other financial liabilities

	As at	
	31 December 2021 (AOA)	31 December 2020 (AOA)
Liabilities for expenses - related parties (refer note 2.13(d))	147,328	-
	147,328	-

2.7 Other current liabilities

	As at	
	31 December 2021 (AOA)	31 December 2020 (AOA)
Other taxes payable	36,011	-
	36,011	-

2.8 Revenue from operations

	Year ended	Period ended
	31 December 2021 (AOA)	31 December 2020 (AOA)
Sale of services	257,228	-
	257,228	-

Disaggregate Revenue Information

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

	Year ended	Period ended
	31 December 2021 (AOA)	31 December 2020 (AOA)
Fixed price	257,228	-
	257,228	-

Segment revenue from customers by geographic area based on location of the customer is as follows:

	Year ended	Period ended
	31 December 2021 (AOA)	31 December 2020 (AOA)
Angola	257,228	-
	257,228	-

Remaining performance obligations

Remaining performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revaluations of the estimates, economic factors (changes in currency rates, tax laws etc). As at 31 December 2021, the aggregate amount of transaction price allocated to remaining performance obligation as per the requirements of Ind AS 115 was AOA 429,950 thousands (31 December 2020, Nil) out of which, approximately 37% (31 December 2020, Nil) is expected to be recognized as revenues within one year and the balance beyond one year. These amounts are not adjusted for variable consideration allocated to remaining performance obligation, which are not probable. These amounts also exclude contracts for which we recognize revenues based on the right to invoice for services performed and contracts where consideration in the form of a sales-based or usage-based royalty promised in exchange for a license of intellectual property.

HCL Technologies Angola (SU), LDA.**Notes to financial statements for the year ended 31 December 2021**

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

2.9 Finance cost

	Year ended	Period ended
	31 December 2021 (AOA)	31 December 2020 (AOA)
Bank charges	16	-
	16	-

2.10 Other expenses

Particulars	Year ended	Period ended
	31 December 2021 (AOA)	31 December 2020 (AOA)
Rent	3,717	-
Legal & professional cost	3,461	-
Exchange differences (net)	25,185	-
	32,363	-

2.11 Income taxes

Particulars	Year ended	Period ended
	31 December 2021 (AOA)	31 December 2020 (AOA)
Current income tax	7,167	-
Deferred tax charge/(credit)	(1,032)	-
Total	6,135	-

The reconciliation between the provision for income tax and amount computed by applying the statutory

Particulars	Year ended	Period ended
	31 December 2021 (AOA)	31 December 2020 (AOA)
Profit before income tax	24,539	-
Statutory tax rate	25.00%	-
Expected tax expense	6,135	-
Total tax expense	6,135	-
Effective income tax rate	25.00%	-

Components of deferred tax assets and liabilities as on 31 December 2021

Amount in (AOA)

Particulars	Opening balance	Recognized in profit and loss	Closing balance
Deferred tax assets			
Unrealized forex	-	1,032	1,032
Net deferred tax assets (A)	-	1,032	1,032
Gross deferred tax liabilities (B)	-	-	-
Net deferred tax assets (A-B)	-	1,032	1,032

Components of deferred tax assets and liabilities for the period ended 31 December 2020

Amount in (AOA)

Particulars	Opening balance	Recognized in profit and loss	Closing balance
Deferred tax assets			
Unrealized forex	-	-	-
Net deferred tax assets (A)	-	-	-
Gross deferred tax liabilities (B)	-	-	-
Net deferred tax assets (A-B)	-	-	-

HCL Technologies Angola (SU), LDA.

Notes to financial statements for the year ended 31 December 2021

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

2.12 Financial assets and liabilities

The carrying value of financial instruments by categories as at 31 December 2021 is as follows:

Particulars	Amortized cost	Total carrying value
	(AOA)	(AOA)
Financial assets		
Cash and cash equivalents	135,462	135,462
Total	135,462	135,462
Financial liabilities		
Trade payables	51,617	51,617
Others	147,328	147,328
Total	198,945	198,945

The carrying value of financial instruments by categories for the period ended 31 December 2020 is as follows:

Particulars	Amortized cost	Total carrying value
	(AOA)	(AOA)
Financial assets	-	-
Total	-	-
Financial liabilities	-	-
Total	-	-

Trade 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.

Market Risk

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

(i) Foreign currency risk

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

The exchange rate risk primarily arises from assets and liabilities denominated in currencies other than foreign currency. An insignificant portion of the Company's revenue is in other foreign currency while a large portion of costs are in AOA. The fluctuation in exchange rates in respect to AOA may not have potential impact on the statement of profit and loss and equity.

Appreciation / depreciation of 1% in respective foreign currencies with respect to functional currency of the Company would result in decrease / increase in the Company's loss by approximately AOA 1,292 thousands for the period ended 31 December 2021.

Non-derivative foreign currency exposure as of 31 December 2021 in major currency is as below:

	Net financial assets	Net financial liabilities
	(AOA)	(AOA)
USD/AOA	160,504	31,300

(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 and trade receivables. The cash resources of the Company are invested with banks after an evaluation of the credit risk. By their nature, all such financial instruments involve risks, however there is no credit risk of nonperformance by counterparties as the entire revenue belongs to group company.

HCL Technologies Angola (SU), LDA.**Notes to financial statements for the year ended 31 December 2021**

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

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:

(Amount in AOA)

	Year 1 (Current)	Year 2	Year 3	Year 4-5 and thereafter	Total
As at 31 December 2021					
Trade Payables	51,617	-	-	-	51,617
Other financial liabilities	147,328	-	-	-	147,328
Total	198,945	-	-	-	198,945
As at 31 December 2020					
Trade Payables	-	-	-	-	-
Other financial liabilities	-	-	-	-	-
Total	-	-	-	-	-

2.13 Related parties**a) Related parties where control exists**

HCL Technologies Limited, India (Ultimate holding company)

HCL Technologies UK Limited (Holding company)

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

HCL Technologies Limited, India (Ultimate holding company)

HCL Technologies UK Limited (Holding company)

Fellow subsidiaries

FILIAL ESPANOLA DE HCL TECHNOLOGIES, S.L.(HCL Spain)

HCL (Brazil) Tecnologia Da Informacao EIRELI

HCL Asia Pacific Pte Limited

HCL Axon Solutions (Shanghai) Co., Limited

HCL Hungary

HCL Canada Inc.-SD (Fy HCL Axon Technologies Inc.)

HCL Great Britain Limited

HCL istanbul Bilisim Teknolojileri Limited sirketi

HCL Japan Limited

HCL Mexico

HCL Technologies Belgium BVBA

HCL Technologies Philippines Inc

HCL Technologies Vietnam Company Limited

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

	Outsourcing Cost
Year ended 31 December 2021(AOA)	
Ultimate holding company	90,995
Holding company	8,329
Fellow Subsidiaries	100,986
Total	200,310
Period ended 31 December 2020(AOA)	
Ultimate holding company	-
Holding company	-
Fellow Subsidiaries	-
Total	-

HCL Technologies Angola (SU), LDA.**Notes to financial statements for the year ended 31 December 2021**

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

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

	Trade payables	Liability for expenses
As at 31 December 2021(AOA)		
Ultimate holding company	11,737	78,778
Holding company	8,329	-
Fellow Subsidiaries	30,042	68,550
Total	50,108	147,328
As at 31 December 2020(AOA)		
Ultimate holding company	-	-
Holding company	-	-
Fellow Subsidiaries	-	-
Total	-	-

2.14 Earnings Per Share (EPS)

Particulars	Year ended	Period ended
	31 December 2021 (AOA)	31 December 2020 (AOA)
Profit for the period attributable to shareholders of the Company	18,404	-
Weighted average number of equity shares outstanding in calculating Basic EPS	1	-
Weighted average number of equity shares outstanding in calculating Diluted EPS	1	-
Nominal value of equity shares (AOA)	22,452	-
Profit per equity share (AOA)		
- Basic	18,404	-
- Diluted	18,404	-

2.15 Commitments and contingent liabilities

- a. The company has no capital commitment which is incidental to the ordinary course of business.
b. There are no contingent assets and liabilities as at 31 December 2021.

2.16 Segment reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available and whose results are reviewed regularly by the chief operating decision maker (CODM), for allocation of resources and assessing performance. The Company's ultimate 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 segment. The ultimate Holding Company 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 disaggregation as per geography is given in note 2.8.

2.17 Subsequent events

There have been no significant subsequent events since the period ended 31 December 2021 that would have material impact on the statement of financial position of the Company as shown in these financial statements.

For B S R & Co. LLP

ICAI Firm Registration Number : 101248W/W-100022

Chartered Accountants

*vimal chauhan***Vimal Chauhan****Partner**

Membership Number: 511230

Gurugram, India

Date: 25 May 2022

For and on behalf of the Board of Directors
of HCL Technologies Angola (SU), LDA.*Shiv Kumar Walia***Shiv Kumar Walia**

Director

*Rahul Singh***Rahul Singh**

Director

Date: 25 May 2022