**HCL Technologies Greece Single Member P.C.**
Maroussi (Attika),
Leoforos Kifissias 62 & Premetis
**www.hcl.in**
Company Registration No. 131925901000

# Directors' Report for the Financial Year ended March 31, 2022

**TO THE MEMBERS,**

The Director of your Company has pleasure in presenting the Annual Report of the Company together with the Audited Accounts for the financial year ended March 31, 2022.

## FINANCIAL RESULTS

The Financial results of your Company for the year ended March 31, 2022 are summarized as follows:

**Amount in EUR'000**

| | **Year ended March 31, 2022** | **Year ended March 31, 2021** |
|---|---|---|
| Total Revenue | 2,682 | 1,377 |
| Total Expenditure | 2,610 | 1,310 |
| Profit before tax | 109 | 70 |
| Provision for tax | 50 | 23 |
| Profit for the year | 59 | 47 |

## DIVIDEND

In order to conserve resources, the director did not recommend any dividend for the financial year ended on March 31, 2022.

## TRANSFER TO RESERVES

Your Company does not propose to transfer to the reserve out of amount available for appropriation.

## STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

Your Company's primary business is to provide Computer software (IT) services.

## MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT

There were no major changes affecting the financial position of the Company between the end of the financial year and the date of the report.

## CHANGE IN NATURE OF BUSINESS

There was no change in the nature of business of the Company during the year under review.

## SHARE CAPITAL

As on March 31, 2022, the share capital of the Company comprises of 441,000 shares of EUR 1 each aggregating to EUR 441,000.

## SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Your Company does not have any subsidiary, joint venture or associate company.

## DIRECTOR

As on March 31, 2022, the Board consisted of two members namely Mr. Ramachandran Sundararajan and Mr. Shiv Kumar Walia, both of which are non-executive director.

During the year, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company.

## POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS

The Company does not have a Nomination and Remuneration Committee ("NRC").

## INTERNAL FINANCIAL CONTROLS AND ITS ADEQUACY

Your Company has a proper and adequate system of internal financial controls. This ensures that all assets are safeguarded and protected against loss from unauthorised use or disposition and the transactions are authorised, recorded and reported correctly. The internal financial control system has been designed to ensure that the financial and other records are reliable for preparing financial and other statements and for maintaining accountability of assets.

The parent company has an Internal Audit Department headed by an Internal Auditor.

## WHISTLE BLOWER/VIGILANCE POLICY

The whistle blower policy/vigil mechanism to report any wrong doing occurring within the Company has been established. Adequate safeguards against victimization of whistleblowers who express their concerns against such wrongdoings has also been established. The whistleblower mechanism operate at the level of the parent company and it covers all the subsidiaries including your Company.

## STATUTORY AUDITORS'

M/s. B.S.R. & Co. LLP, Chartered Accountants, were appointed as statutory auditors of the Company to hold office for the year 2021-22. It is proposed to appoint M/s. B.S.R. & Co. LLP, Chartered Accountants, as auditors of the Company for the year 2022-23.

## EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS' IN THEIR REPORT

There were no qualifications, reservations or adverse remarks made by the Statutory Auditors in their report.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The provisions relating to Loans, Guarantees and investments covered under Section 186 of the Companies Act, 2013 and/or erstwhile Section 372A of Companies Act, 1956 are not applicable to the Company, being a body corporate incorporated outside India.

## PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

The Company has entered into any contracts or arrangements with related parties on arms' length price.

## EXTRACT OF ANNUAL RETURN

The Company is a body corporate since the Corporation is incorporated outside India. Hence, the provisions of Section 92(3) of the Companies Act, 2013, being the extract of annual return (Form MGT-9), need not form part of this report.

## DEPOSITS FROM PUBLIC

The Company has not accepted any deposits from the public and as such, no amount on account of principal or interest on deposits from the public was outstanding as on the date of the balance sheet.

## FRAUD

Your Company is a very well-managed Company and neither the Auditors nor the Internal Auditors have brought to the notice of the Board of Directors the occurrence or brewing of any fraud in the Company.

## HUMAN RESOURCE MANAGEMENT

Your Company believes that human capital is one of the key elements that would give the Company a sustainable competitive advantage in the market. Your Directors record their sincere appreciation for the dedicated efforts of the employees.

## DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors, to the best of their knowledge and ability, confirm that:

i. in the preparation of the Annual Accounts, the applicable accounting standards have been followed and there are no material departures;

ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. they have prepared the Annual Accounts on a going concern basis;

v. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## ACKNOWLEDGEMENT

Your Directors also thank the customers, vendors, bankers, and all the stakeholders associated with the Company. The success of your Company would be incomplete without the commendable effort put in by the past and present employees of the Company.

On behalf of the board
**HCL Technologies Greece Single Member P.C.**

Date: 30th June 2022

**Ramachandran Sundararajan**
**Director**

**Shiv Kumar Walia**
**Director**

**HCL Technologies Greece Single Member P.C.**
Maroussi (Attika),
Leoforos Kifissias 62 & Premetis
**www.hcl.in**
Company Registration No. 131925901000

30th June 2022

B S R & Co. LLP
Chartered accountants
Building No. 10, 12th Floor,
Tower C, DLF Cyber City,
Gurugram, Haryana – 122002

Dear Sir,

This representation letter is provided in connection with your audit of the financial statements of HCL Technologies Greece Single Member P.C. (the "Company") which comprise the Balance sheet as at March 31, 2022, the Statement of Profit and Loss including other comprehensive income (loss), the 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, for the purpose of expressing an opinion as to whether any material modifications should be made to the financial statements for them to conform with Indian generally accepted accounting principles.

We acknowledge our responsibility as set out in the terms of the audit engagement letter dated February 17, 2022 for preparing the financial statements of the Company which give a true and fair view of the state of affairs of the Company as at March 31, 2022 and 2021, profit/loss and other comprehensive income, changes in equity and cash flows of the Company for the year ended on that date and for the preparation of financial statements in accordance with Indian generally accepted accounting principles.

We confirm that, to the best of our knowledge and belief, as of 30th June 2022, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves in order to provide the following representations to you during your audit:

**Section A – General Representations**

1 We acknowledge that control over and responsibility for the prevention and detection of fraud, irregularities and error remains with us. This responsibility includes the design, implementation, and maintenance of internal control sufficient to provide a reasonable basis for the preparation and fair presentation of standalone financial statements in accordance with generally accepted accounting principles in India and to provide reasonable assurance against the possibility of misstatements that are material to the financial statements whether due to error or fraud.

2 Further, we confirm that we have considered all relevant events and conditions arising from COVID-19 outbreak in the preparation of the financial statements as at and for year ended March 31, 2022. We confirm that there is no material impact to be accounted for or/and disclosed in the financial statements as per applicable accounting standards, other than those already accounted for or / and disclosed in the financial statements.

3 We have made available/disclosed to you:

- All records, documentation, and information that is relevant to the preparation and fair presentation of the financial statements.

- Additional information that you have requested from us for the purpose of the audit.

- Unrestricted access and the full cooperation of personnel within the entity from whom you determined it necessary to make inquiries.
- All minutes of the meetings of shareholders, directors, and committees of directors, or summaries of actions of recent meetings for which minutes have not yet been prepared. All significant board and committee actions are included in the summaries.

- All side agreements or other arrangements known to us.

4 All material transactions have been recorded in the accounting records and are reflected in the financial statements.

5 The Company has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets, nor has any asset been pledged as collateral except those disclosed in the financial statements.

6 There is no fraud, allegations of fraud or suspected fraud affecting the entity involving:

- Management,
- Employees who have significant roles in internal control, or
- Others where the fraud could have a material effect on the financial statements.

7 We have no knowledge of any officer or director of the Company, or any other person acting under the direction thereof, having taken any action to fraudulently influence, coerce, manipulate, or mislead you during your audit.

8 We have shared with you the annual compliance update presented to the Board and the legal tracker maintained by the legal team. These reports are comprehensive and include all known instances of non-compliance with laws and regulations, claims and litigation (including possible litigations and noncompliance with laws and regulations), and assessments, communication from regulatory agencies (including deficiencies in financial reporting practices), if any, whose effects and disclosure should be and have been considered when preparing the financial statements in accordance with IND AS 37 Provisions , Contingent Liabilities and Contingent Asset.

9 There are no uncorrected financial statement misstatements identified.

10 Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and have been properly recorded or disclosed in the financial statements. Financial projections used for all processes where forecasts are relevant, e.g. goodwill, taxes, are based on internal forecasts and business approved projections that reflect management's best estimates and factors in expectation and information available till date.

11 We have disclosed to you the identity of our related parties, related party relationships and transactions of which we are aware, in accordance with IND AS 24 Related Party Disclosures and such relationships and transactions have been appropriately accounted for and disclosed. We confirm that related party transactions were conducted on terms equivalent to those prevailing in an arm's length transaction and in the ordinary course of business.

12 The following have been properly recorded or disclosed in the financial statements.

- Significant estimates and material concentrations known to management that are required to be disclosed in accordance with IND AS 1 Presentation of Financial Statements.
- Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balance, lines of credit, or similar arrangements.
- Change in accounting principles affecting consistency.

13 All events, including on account of COVID-19 outbreak having material impact, subsequent to the date of the financial statements and through the date of this letter for which IND AS requires adjustment to or disclosure have been adjusted or disclosed.

14 The Company has evaluated any risk of non-compliance with contracts informed by concerned business teams or claims raised by customers and necessary effects wherever material have been considered in the financial statements.

15 The Company has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities other than disclosed to you.

16 We confirm that all scanned/digitized/filmed/electronic documents provided by us to the audit team are 'True Copies' of the original documents which are in the possession of the Company.

17 The methods, the data and the significant assumptions used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

With respect to the estimates, we confirm:

- We have taken into account all relevant information with respect to the significant judgments in making the accounting estimates.
- We confirm that the selection or application of the methods, assumptions and data used by us in making the accounting estimates are consistent and appropriate.
- We confirm that the assumptions appropriately reflect our intent and ability to carry out specific courses of action, when relevant to the accounting estimates and disclosures.
- We confirm that disclosures related to accounting estimates, including disclosures describing estimation uncertainty, are complete and are reasonable in the context of the applicable;
- We confirm that appropriate specialized skills or expertise has been applied in making the accounting estimates;
- We confirm that no subsequent event requires adjustment to the accounting estimates and related disclosures included in the IND AS financial statements.

**Going concern**

18 We have made an assessment of the Company's ability to continue as a going concern, taking into account all available information about the future, which under IND AS 1 Presentation of Financial Statements is at least, but is not limited to, twelve months from the end of the reporting period. We confirm that we have not identified events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

**Fair Value Measurements**

19 We are responsible for making the fair value measurements and disclosures included in the financial statements in accordance with IND AS 113, Fair Value Measurement. As part of fulfilling this responsibility, we have established an accounting and financial reporting process for determining the fair value measurements and disclosures, in accordance with the fair value techniques included in IND AS 113, considered the appropriateness of valuation techniques, including circumstances in which a practical expedient may be used to estimate fair value, adequately supported any significant assumptions used, and ensured that the presentation and disclosure of the fair value measurements are in accordance with Indian Accounting Standard accepted accounting principles including the disclosure requirements of IND AS 113. We believe the assumptions and techniques used by us, including those used by specialists engaged by us, are in accordance with the definition of fair value in IND AS 113 and the disclosures adequately describe the level of the inputs used in the fair value measurement, in accordance with the fair value hierarchy in IND AS 113.

20 The Company is responsible for determining the fair value of financial instruments as required by IND AS 109, Financial Instruments. The amounts disclosed represent the Company's best estimate of fair value of financial instruments required to be disclosed under IND AS 109 and other assets or liabilities, if separately disclosed. The Company also has disclosed the methods and significant assumptions used to estimate the

fair value of financial instruments and any changes to those methods and significant assumptions, if any, as required by IND AS 109.

**Cyber Security**

**21** We confirm that there have been no cyber security incidents during the year.

**Section B – Additional specific representations**

**Taxation**

22 The calculations of current and deferred tax expense (benefit) and the measurement of the related current and deferred tax assets and liabilities have been determined based on appropriate provisions of applicable enacted tax laws and regulations and in accordance with IND 12 and also include enacted changes in tax laws.

23 We have not received any advice or opinion that contradicts the Company's position for the tax accrual related matters, that contradicts the Company's financial statement amounts and presentations, or that is necessary to understand the Company's tax accrual and related matters. When we have based our position on tax exposure items on an opinion issued by a qualified third-party tax adviser, we have provided you access to the third-party tax advisor's opinion.

24 We acknowledge our responsibility for the tax accounting methods adopted by the Company, which have been consistently applied in the current period, and for the current year income tax provision calculation.

25 We confirmed that all the transactions with related parties are at arm's length price as per local transfer pricing rules. We do maintain the transfer pricing documentation internally. We'll be able to demonstrate to the tax authorities the transaction with related parties carried out at arm's length price as per local transfer pricing requirement.

26 Temporary differences that have not been tax-effected in accordance with the provisions of IND AS 12, Income Taxes, are not expected to reverse in the foreseeable future.

27 There are no other uncertain tax positions known to us in accordance with the provisions of IND AS 12 Income Taxes, other than as accounted for in the financial statements.

**Equity Share capital**

28 The Company has only one class of shares. We have recorded or disclosed, as appropriate, for the class of share capital, the number and amount of shares authorized, the number of shares issued, subscribed and fully paid, and subscribed but not fully paid, par value per share, a reconciliation of the number of shares outstanding at the beginning and at the end of the year, other requirements in respect of the company's capital including:

- The shares in respect of each class in the company held by its holding company or its ultimate holding company including shares held by it or by subsidiaries or associates of the holding company or the ultimate holding company, in aggregate.

- Shares in the company held by each shareholder holding more than 5 per cent shares specifying the number of shares held

29 The Company does not have any share application money pending allotment as of March 31, 2022.

**Cash and Bank**

30 We confirm that the Company has not made any transactions in cash during the year and does not have any cash in hand as at March 31, 2022.

**Revenue and Receivables**

31 Receivables reported in the financial statements represent valid claims against debtors for sales or other charges arising on or before the financial statements date.

32 Management confirms that accounts receivables, unbilled receivables, are valued after making reserve for allowances based on factors like ageing, likelihood of increased credit risk and expected realizability, nature of customer verticals.

33 Management has made assessment of revenue recognized by the Company in respect of year ended March 31,2022, and it meets the criteria specified by IND AS 115, Revenue from contract with customers.

Following have been considered during this process:

a) All sales transactions entered into by the Company are final and there are no side agreements (either written or oral) with customers or resellers. Further, wherever applicable, side agreement has been considered.

b) The estimates of standalone selling prices used in the allocation of the transaction price to performance obligations are based on a reasonable estimation approach, maximize the use of observable inputs, are applied on a consistent basis for similar goods or services to customers and represent our best estimates.

c) The Company has deferred revenue attributable to certain process transition activities, with respect to its customers where such activities do not represent separate performance obligation except where such transition revenues are less than 5% of the total contract value and underlying transition activities are completed, in which case such transition revenues are recognized upfront. Revenues relating to such transition activities when deferred are classified under contract liabilities and subsequently recognized ratably over the period in which the related services are performed. Costs relating to transition activities are fulfillment costs which are directly related to the contract and result in generation or enhancement of resources and are expected to be recoverable under the contract and thereby classified as Deferred contract cost and are recognized ratably over the estimated expected period of benefit, under Cost of Revenue.

d) Revenue for performance obligations that are satisfied over time is recognized in accordance with the methods prescribed for measuring progress. The input (cost expended) method has been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the current contract estimates.

34 We believe that all material expenditures that have been deferred to future periods will be recoverable.

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

**Property, plant and equipment**

36 The expenditure charged to the capital account in the books of the Company represents additions to or improvements to the existing capital assets of the Company and the amounts so charged do not in any instance represent repairs and maintenance of such assets or any expenditure properly chargeable to revenue. Cost includes all incidental expenditure including the estimated costs of dismantling, removing or restoring items of property, plant and equipment, replacement costs and costs of major inspections and is net of refundable taxes e.g., GST. Fixed assets also include spare parts meeting the definition of property, plant and equipment. No capital expenditure has been charged to revenue during the year.

**Other matters**

37 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. Hence there is only one reportable segment of the company as envisaged under Indian Accounting Standards-108 "Operating segments".

38 Goodwill has been tested for impairment annually in accordance with the requirements of Ind AS 36 Impairment of Assets, and impairment losses have been recorded when required. For purposes of the goodwill impairment test, we have identified the reporting units of the Company after considering the requirements of Ind AS 36 and the relevant provisions of Ind AS 108, Operating Segments. The Company deploys the discounted cash flow method for impairment testing, which in the opinion of management is most representative and uses projected cash flows for the next five years.

The Key assumptions used by the management for the calculation of discounted cash flows for 31 March 2022 are as follows:

| | **As at** | |
|---|---|---|
| | **31 March 2022** | **31 March 2021** |
| Growth rate (%) | Upto 5% | Upto 5% |
| Terminal growth rate (%) | 1.50% | 1% |
| Discount rate (%) | 9.35% | 7.50% |

39 We have disclosed to you the identity of the Company's related parties and all related party relationships and transactions of which we are aware. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Ind AS 24, Related Party Disclosures.

- We confirm that related party transactions do not involve any undisclosed side agreements.
- We confirm that all related party transactions were conducted on terms equivalent to those prevailing in an arm's length transaction and in the ordinary course of business.

Very truly yours,

**On behalf of the board of directors**

**HCL Technologies Greece Single Member P.C.**

**Ramachandran Sundararajan**
**Director**

**Shiv Kumar Walia**
**Director**

Date: 30th June 2022

# HCL Technologies Greece Single Member P.C.

## Financial Statements

For the year ended 31st March 2022 and 31st March 2021

**HCL Technologies Greece Single Member P.C.**
**Balance Sheet as at 31 March 2022**
**(All amounts in thousands except share data and as stated otherwise)**

| | Note No. | As at 31 March 2022 (EUR) | As at 31 March 2021 (EUR) |
|---|---|---|---|
| **I. ASSETS** | | | |
| **(1) Non-current assets** | | | |
| (a) Property, Plant and Equipment | **2.1(a)** | 37 | 244 |
| (b) Capital work in progress | | - | 16 |
| (c) Right-of-use assets | **2.24** | 2 | - |
| (d) Goodwill | **2.1(b)** | 80 | 80 |
| (e) Other intangible assets | **2.1(c)** | 29 | 37 |
| (f) Financial assets | | | |
| (i) Trade Receivables- unbilled | **2.2(a)** | 183 | - |
| (ii) Others | **2.3** | 136 | - |
| (g) Other non-current assets | **2.4** | 2 | - |
| (h) Deferred Tax Assets (Net) | **2.18** | 110 | 129 |
| **(2) Current assets** | | | |
| (a) Inventories | **2.5** | 38 | 32 |
| (b) Financial Assets | | | |
| (i) Trade receivables | | | |
| Billed | **2.2(b)** | 678 | 567 |
| Unbilled | **2.2(b)** | 204 | 1 |
| (ii) Cash and cash equivalents | **2.6** | 348 | 326 |
| (iii) Others | **2.3** | 147 | - |
| (c) Other current assets | **2.7** | 516 | 372 |
| (d) Current Tax Asset (Net) | | - | 134 |
| **TOTAL ASSETS** | | **2,510** | **1,938** |
| **II. EQUITY** | | | |
| (a) Equity Share Capital | **2.8** | 441 | 441 |
| (b) Other Equity | | 299 | 240 |
| **TOTAL EQUITY** | | **740** | **681** |
| **III. LIABILITIES** | | | |
| **(1) Non - current liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Lease Liabilities | **2.24** | 1 | - |
| (b) Contract Liabilities | **2.9** | 14 | - |
| **(2) Current liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Trade payables | **2.10** | | |
| Billed | | 205 | 673 |
| Unbilled and accruals | | 607 | 56 |
| (ii) Lease liabilities | **2.24** | 2 | - |
| (iii) Other financial liabilities | **2.11** | - | 14 |
| (b) Contract liabilities | **2.9** | 440 | 340 |
| (c) Other current liabilities | **2.12** | 466 | 174 |
| (d) Current Tax Liabilities (Net) | | 35 | - |
| **TOTAL EQUITY AND LIABILITIES** | | **2,510** | **1,938** |
| **Summary of significant accounting policies** | **1** | | |

The accompanying notes are an integral part of the financial statements

As per our report of even date
**For B S R & Co. LLP**
Chartered Accountants
**ICAI Firm Registration Number : 101248W/W-100022**

Rakesh Dewan
Rakesh Dewan (Jun 30, 2022 20:16 GMT+5.5)

**Rakesh Dewan**
**Partner**
Membership Number : 092212

Gurugram, India
Date : 30th June 2022

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

**Ramachandran Sundararajan**
Director

**Shiv Kumar Walia**
Director

Date : 30th June 2022

**HCL Technologies Greece Single Member P.C.**
**Statement of Profit and Loss for the year ended 31 March 2022**
**(All amounts in thousands except share data and as stated otherwise)**

| | | Note No. | Year ended 31 March 2022 (EUR) | Year ended 31 March 2021 (EUR) |
|---|---|---|---|---|
| **I** | **Revenue** | | | |
| | Revenue from operations | **2.13** | 2,682 | 1,377 |
| | Other income | **2.14** | 37 | 3 |
| | **Total revenue** | | **2,719** | **1,380** |
| **II** | **Expenses** | | | |
| | Purchase of stock-in-trade | | 172 | 12 |
| | Changes in inventories of stock-in-trade | **2.15** | (6) | 17 |
| | Finance costs | **2.16** | 3 | 3 |
| | Depreciation and amortisation expense | **2.1** | 76 | 110 |
| | Outsourcing costs | | 2,291 | 1,141 |
| | Other expenses | **2.17** | 74 | 27 |
| | **Total expenses** | | **2,610** | **1,310** |
| **III** | **Profit before tax** | | **109** | **70** |
| **IV** | **Tax expense** | | | |
| | Current tax | **2.18** | 32 | 90 |
| | Deferred tax credit | **2.18** | 18 | (67) |
| | **Total tax expense** | | **50** | **23** |
| **V** | **Profit for the year** | | **59** | **47** |
| **VI** | **Other comprehensive income** | | - | - |
| **VII** | **Total Comprehensive income for the year** | | **59** | **47** |
| | **Earnings per equity share of EUR 1 each** | **2.20** | | |
| | Basic | | 0.13 | 0.11 |
| | Diluted | | 0.13 | 0.11 |
| | **Summary of significant accounting policies** | **1** | | |

The accompanying notes are an integral part of the financial statements

As per our report of even date
**For B S R & Co. LLP**
Chartered Accountants
**ICAI Firm Registration Number : 101248W/W-100022**

Rakesh Dewan
Rakesh Dewan (Jun 30, 2022 20:16 GMT+5.5)

**Rakesh Dewan**
**Partner**
Membership Number : 092212

Gurugram, India
Date : 30th June 2022

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

**Ramachandran Sundararajan**
Director

**Shiv Kumar Walia**
Director

Date : 30th June 2022

**HCL Technologies Greece Single Member P.C.**
**Statement of Changes in Equity for the year ended 31 March 2022**
**(All amounts in thousands except share data and as stated otherwise)**

**Amount in EUR**

| | Equity share capital | | Other Equity | Total Equity |
|---|---|---|---|---|
| | Number of shares | Share capital | Reserves and Surplus | |
| **Balance as at 1 April 2020** | 441,000 | 441 | 193 | 193 |
| Profit for the year | - | - | 47 | 47 |
| Other comprehensive income / (loss) | - | - | - | - |
| **Total comprehensive income for the year** | **-** | **-** | **47** | **47** |
| **Balance as at 31 March 2021** | **441,000** | **441** | **240** | **240** |
| **Balance as at 1 April 2021** | 441,000 | 441 | 240 | 240 |
| Profit for the year | - | - | 59 | 59 |
| Other comprehensive income / (loss) | - | - | - | - |
| **Total comprehensive income for the year** | **-** | **-** | **59** | **59** |
| **Balance as at 31 March 2022** | **441,000** | **441** | **299** | **299** |

**Summary of significant accounting policies (Note 1)**

The accompanying notes are an integral part of the financial statements

As per our report of even date.
**For B S R & Co. LLP**
Chartered Accountants
**ICAI Firm Registration Number : 101248W/W-100022**

Rakesh Dewan
Rakesh Dewan (Jun 30, 2022 20:16 GMT+5.5)

**Rakesh Dewan**
**Partner**
Membership Number : 092212

Gurugram, India
Date : 30th June 2022

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

**Ramachandran Sundararajan**
Director

**Shiv Kumar Walia**
Director

Date : 30th June 2022

**HCL Technologies Greece Single Member P.C.**
**Statement of cash flow for the year ended 31 March 2022**
**(All amounts in thousands except share data and as stated otherwise)**

| | Year ended 31 March 2022 (EUR) | Year ended 31 March 2021 (EUR) |
|---|---|---|
| **A. Cash flows from operating activities** | | |
| Profit before tax | 109 | 70 |
| **Adjustment for:** | | |
| Depreciation and amortisation expense | 76 | 110 |
| Provision for doubtful debts/ bad debt written off (net) | (16) | (1) |
| Other non cash items | (10) | - |
| | **159** | **179** |
| **Net Change in** | | |
| Trade receivables | (481) | 454 |
| Inventories | (6) | 16 |
| Other financial and current assets | (284) | (339) |
| Trade payables | 83 | 126 |
| Other financial liabilities | - | (68) |
| Contract and other liabilities | 407 | (6) |
| **Cash generated from (used in) operations** | **(122)** | **362** |
| Direct taxes (paid)/ refund received (net of refunds) | 148 | (236) |
| **Net cash flow from operating activities (A)** | **26** | **126** |
| **B. Cash flows from investing activities** | | |
| Purchase of property,plant and equipment, including capital work in progress and capital advances | (2) | (144) |
| **Net cash used in investing activities (B)** | **(2)** | **(144)** |
| **C. Cash flows from financing activities** | | |
| Payment of lease liabilities including interest | (2) | - |
| **Net cash generated from financing activities (C)** | **(2)** | **-** |
| Net increase /(decrease) in cash and cash equivalents (A+B+C) | 22 | (18) |
| Cash and cash equivalents at the beginning of the year | 326 | 344 |
| **Cash and cash equivalents at the end of the year (refer note 2.6)** | **348** | **326** |
| **Summary of significant accounting policies (Note 1)** | | |

The accompanying notes are an integral part of the financial statements

As per our report of even date.
**For B S R & Co. LLP**
**ICAI Firm Registration Number : 101248W/W-100022**
Chartered Accountants

Rakesh Dewan
Rakesh Dewan (Jun 30, 2022 20:16 GMT+5.5)

**Rakesh Dewan**
**Partner**
Membership Number : 092212

Gurugram, India
Date : 30th June 2022

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

**Ramachandran Sundararajan**
Director

**Shiv Kumar Walia**
Director

Date : 30th June 2022

## ORGANIZATION AND NATURE OF OPERATIONS

HCL Technologies Greece Single Member P.C. (hereinafter referred to as 'the Company') is a Business Transformation consultancy company aiming to provide medium and large size organizations with Business Transformation solutions that encompass all elements of Business Consulting, Solution Implementation, and ongoing Application Management. The Company was incorporated on 30 September 2014 in Greece with Registration Number 131925901000, having its registered office at 62 Kifissias Avenue, 15125 Maroussi, Athens.

The financial statements for the year ended 31 March 2022 were approved and authorized for issue by the Board of Directors on 30th June 2022.

## 1. Summary of Significant Accounting Policies

### a) Basis of preparation

The financial statements of the Company have been prepared in accordance with recognition and measurement principle laid down in Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Schedule III (Division II) to the Companies Act, 2013, as applicable, to the financial statements. The company is not domiciled in India and hence was not incorporated under Companies Act, 2013 or under any previous Company law in India. These financial statements have been prepared on the request of the Ultimate Holding Company to comply with the financial reporting requirement in India.

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

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

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

The functional currency of the Company is EURO.

### 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. Actual results could differ from those estimates. Changes in estimates are reflected in the financial statements in the period in which the changes are made.

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

i. Accounting for costs expected to be incurred to complete performance under fixed price projects, refer note 1(i).
ii. Allowance for uncollectible accounts receivables, refer note 1(l)(i)
iii. Recognition of income and deferred taxes, refer note 1(k) and note 2.18
iv. Useful lives of property, plant and equipment, refer note 1(e)
v. Lives of intangible assets, refer note 1(f)
vi. Key assumptions used for impairment of goodwill, refer note 1(g) and note 2.1(b)

vii. Provisions and contingent liabilities, refer note 1(n)

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

**c) Inventories**

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

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

**d) Business combinations and goodwill**

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

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

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

**e) Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. The company identifies and determines separate useful lives for each major component of the property, plant and equipment, if they have a useful life that is materially different from that of the assets as a whole.

Expenses on existing property, plant and equipment, including day-to-day repairs, maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the year during which such expenses are incurred.

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

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

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

The management's estimates of the useful lives of following assets for computing depreciation are as follows: -

| | Life (in years) |
|---|---|
| Computers | 3-5 |

The useful life as given above best represents the period over which the management expects to use these assets, based on technical assessment. Hence, the useful life for the assets is different from the useful life prescribed under Part C of Schedule II of the Companies Act 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**f) Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

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

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

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

| | Life (in years) |
|---|---|
| Customer relationships | 10 |

**g) Impairment of non-financial assets**

***Goodwill***

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

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

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

***Intangible assets and property, plant and equipment***

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

**h) Fair value measurement**

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

The prescribed fair value hierarchy and related valuation methodologies are as follows:

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

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

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

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

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

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

iii. Cost approach – Replacement cost method.

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

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

**i) Revenue Recognition**

*Contracts involving provision of services and material.*

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

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

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

*Fixed Price contracts*

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

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

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

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

**j) Foreign currency transactions**

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

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

**k) Taxation**

Income tax expense comprises current and deferred income tax.

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

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

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

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

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

**l) Financial Instruments**

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

**i. Financial assets:**

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

***Cash and cash equivalents***

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

***Financial instruments at amortized cost***

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

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

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

***Derecognition of financial assets***

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

***Impairment of financial assets***

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

**ii. Financial liabilities**

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

The Company's financial liabilities include trade payables, lease liabilities and other payables.

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

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

*Derecognition*

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

*Offsetting of financial instruments*

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

**m) Earnings per share**

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

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

**n) Provisions and contingent liabilities**

A provision is recognized if, as a result of a past event, the company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows.

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

**o) Recently issued accounting pronouncements**

On 23 March 2022, the Ministry of Corporate Affairs (MCA), notified Companies (Indian Accounting Standards) Amendment Rules, 2022 effective from 1 April 2022. Following is key amended provision which may have an impact on the financial statements of the Company:

Onerous Contracts – Cost of Fulfilling a Contract (Amendment to Ind AS 37)
The amendments clarify that the 'costs of fulfilling a contract' comprise both the incremental costs and allocation of other direct costs. The Company does not expect the adoption of this update to have a material impact on its financial statements.

**2.1 (a) Property, plant and equipment**

**Changes in the carrying value for the year ended 31 March 2022**

| | Computers |
|---|---|
| | (EUR) |
| **Gross block as at 1 April 2021** | 429 |
| Additions | 2 |
| Disposal | 363 |
| **Gross block as at 31 March 2022** | **68** |
| **Accumulated depreciation as at 1 April 2021** | 184 |
| Charge for the year | 67 |
| Disposal | 220 |
| **Accumulated depreciation as at 31 March 2022** | **31** |
| **Net block as at 31 March 2022** | **37** |

**Changes in the carrying value for the year ended 31 March 2021**

| | Computers |
|---|---|
| | (EUR) |
| **Gross block as at 1 April 2020** | 335 |
| Additions | 142 |
| Disposal | 48 |
| **Gross block as at 31 March 2021** | **429** |
| **Accumulated depreciation as at 1 April 2020** | 131 |
| Charge for the year | 101 |
| Disposal | 48 |
| **Accumulated depreciation as at 31 March 2021** | **184** |
| **Net block as at 31 March 2021** | **244** |

**2.1(b) Goodwill**

**Changes in the carrying value for the year ended 31 March 2022**

| | Goodwill on acquisition of business | Total (EUR) |
|---|---|---|
| **Gross block as at 1 April 2021** | 80 | 80 |
| Additions | - | - |
| **Gross block as at 31 March 2022** | **80** | **80** |

**Changes in the carrying value for the year ended 31 March 2021**

| | Goodwill on acquisition of | Total (EUR) |
|---|---|---|
| **Gross block as at 1 April 2020** | 80 | 80 |
| Additions | - | - |
| **Gross block as at 31 March 2021** | **80** | **80** |

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

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

| | As at | |
|---|---|---|
| | 31 March 2022 | 31 March 2021 |
| Growth rate (%) | Upto 5% | Upto 5% |
| Terminal growth rate (%) | 1.50% | 1% |
| Discount rate (%) | 9.35% | 7.50% |

As at 31 March 2022 and 31 March 2021, the estimated recoverable amount of the CGU exceeded its carrying amount and accordingly, no impairment was recognized. An analysis of the sensitivity of the computation to a change in key assumptions based on reasonable probability did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

**2.1(c) Other intangible assets**

**Changes in the carrying value for the year ended 31 March 2022**

| | Customer Relationship | Total (EUR) |
|---|---|---|
| **Gross block as at 1 April 2021** | 50 | 50 |
| Additions | - | - |
| **Gross block as at 31 March 2022** | **50** | **50** |
| **Accumulated depreciation as at 1 April 2021** | 13 | 13 |
| Charge for the year | 8 | 8 |
| Deduction/other adjustments | - | - |
| **Accumulated depreciation as at 31 March 2022** | **21** | **21** |
| **Net Block as at 31 March 2022** | **29** | **29** |

**Changes in the carrying value for the year ended 31 March 2021**

| | Customer Relationship | Total (EUR) |
|---|---|---|
| **Gross block as at 1 April 2020** | 50 | 50 |
| Additions | - | - |
| **Gross block as at 31 March 2021** | **50** | **50** |
| **Accumulated depreciation as at 1 April 2020** | 4 | 4 |
| Charge for the year | 9 | 9 |
| Deduction/other adjustments | - | - |
| **Accumulated depreciation as at 31 March 2021** | **13** | **13** |
| **Net Block as at 31 March 2021** | **37** | **37** |

**2.2 Trade Receivables**

**(a) Non Current**

| | As at | |
|---|---|---|
| | 31 March 2022 | 31 March 2021 |
| | (EUR) | (EUR) |
| Unbilled receivable | 183 | - |
| | **183** | **-** |

**(b) Current**

| | As at | |
|---|---|---|
| | 31 March 2022 | 31 March 2021 |
| | (EUR) | (EUR) |
| **Billed** | | |
| Unsecured considered good (Refer note below) | 675 | 582 |
| Trade Receivables - credit impaired | 3 | 2 |
| | **678** | **584** |
| Impaired allowance for bad and doubtful debts | - | (17) |
| | **678** | **567** |
| Unbilled receivables (refer note below) | 204 | 1 |
| | **882** | **568** |

**Note:-** Trade Receivable include receivable from related party amouting to EUR 246 (Previous Year EUR 265) refer note no 2.21.

| **Trade receivables - current** | **Not Due** | **Outstanding as at 31 March 2022 from the due date of payment** | | | | | |
|---|---|---|---|---|---|---|---|
| | | **Less than 6 months** | **6 months – 1 year** | **1-2 years** | **2-3 years** | **More than 3 years** | **Total** |
| Undisputed – considered good | 390 | 208 | 17 | 28 | - | 32 | 675 |
| Undisputed – which have significant increase in credit risk | - | - | - | - | - | 3 | 3 |
| | | | | | | | 678 |
| Impairment allowance for bad and doubtful debts | | | | | | | - |
| Unbilled receivables | | | | | | | 204 |
| | | | | | | | **882** |

| **Trade receivables - current** | **Not Due** | **Outstanding as at 31 March 2021 from the due date of payment** | | | | | |
|---|---|---|---|---|---|---|---|
| | | **Less than 6 months** | **6 months – 1 year** | **1-2 years** | **2-3 years** | **More than 3 years** | **Total** |
| Undisputed – considered good | 271 | 124 | 20 | - | 167 | - | 582 |
| Undisputed – which have significant increase in credit risk | - | - | - | 2 | - | - | 2 |
| | | | | | | | 584 |
| Impairment allowance for bad and doubtful debts | | | | | | | (17) |
| | | | | | | | 567 |
| Unbilled receivables | | | | | | | 1 |
| | | | | | | | **568** |

**2.3 Other financial assets**

| | As at | |
|---|---|---|
| | 31 March 2022 | 31 March 2021 |
| | (EUR) | (EUR) |
| **Non Current** | | |
| **Carried at amortized cost** | | |
| Finance lease receivables (refer note 2.24) | 136 | - |
| | **136** | **-** |
| **Current** | | |
| **Carried at amortized cost** | | |
| Finance lease receivables (refer note 2.24) | 147 | - |
| | **147** | **-** |

**2.4 Other non-current assets**

| | As at | |
|---|---|---|
| | 31 March 2022 | 31 March 2021 |
| | (EUR) | (EUR) |
| **Unsecured, considered good** | | |
| Prepaid Expenses | 2 | - |
| | **2** | **-** |

**2.5 Inventories**

| | As at | |
|---|---|---|
| | 31 March 2022 | 31 March 2021 |
| | (EUR) | (EUR) |
| Stock in trade | 38 | 32 |
| | **38** | **32** |

**2.6 Cash and cash equivalents**

| | As at | |
|---|---|---|
| | 31 March 2022 | 31 March 2021 |
| | (EUR) | (EUR) |
| Balance with banks | | |
| - in current accounts | 348 | 326 |
| | **348** | **326** |

**2.7 Other current assets**

| | As at | |
|---|---|---|
| | 31 March 2022 | 31 March 2021 |
| | (EUR) | (EUR) |
| **Unsecured, considered good** | | |
| Deferred contract cost-related parties (refer note no. 2.21) | 463 | 341 |
| Prepaid Expenses | 1 | 5 |
| Others | 52 | 26 |
| | **516** | **372** |

**2.8 Share Capital**

| | As at | |
|---|---|---|
| | 31 March 2022 | 31 March 2021 |
| | (EUR) | (EUR) |
| **Authorized** | | |
| 441,000 Equity shares of EUR 1 each (Previous year 441,000 of EUR 1 each) | 441 | 441 |
| **Issued, subscribed and fully paid up** | | |
| 441,000 Equity shares of EUR 1 each (Previous year 441,000 of EUR 1 each) | 441 | 441 |

**Terms/ rights attached to equity shares**

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

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

| | As at | | | |
|---|---|---|---|---|
| | 31 March 2022 | | 31 March 2021 | |
| | No. of shares | Amount (EUR) | No. of shares | Amount (EUR) |
| Number of shares at the beginning | 441,000 | 441 | 441,000 | 441 |
| Add: Shares issued during the year | - | - | - | - |
| Number of shares at the end | **441,000** | **441** | **441,000** | **441** |

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

| **Name of the shareholder** | As at | | | |
|---|---|---|---|---|
| | 31 March 2022 | | 31 March 2021 | |
| | No. of shares | % of Holding | No. of shares | % of Holding |
| **Equity shares of EUR 1 each fully paid** | | | | |
| HCL Technologies UK Limited, Holding Company | 441,000 | 100% | 441,000 | 100% |

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

| **Name of the shareholder** | As at | | | |
|---|---|---|---|---|
| | 31 March 2022 | | 31 March 2021 | |
| | No. of shares | % of Holding | No. of shares | % of Holding |
| **Equity shares of EUR 1 each fully paid** | | | | |
| HCL Technologies UK Limited, Holding Company | 441,000 | 100% | 441,000 | 100% |

As per the records of the Company, including its register of shareholders, the above shareholding represents both legal and beneficial ownership of shares. There are no bonus shares issued, no shares issued for consideration other than cash and no shares bought back immediately preceding the reporting date from date of incorporation.

**Capital management**

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

**2.9 Contract liabilities**

| | As at | |
|---|---|---|
| | 31 March 2022 | 31 March 2021 |
| | (EUR) | (EUR) |
| **Non - Current** | | |
| Contract Liabilities (Refer note 2.13) | 14 | - |
| | **14** | **-** |
| **Current** | | |
| Contract Liabilities (Refer note 2.13) | 440 | 340 |
| | **440** | **340** |

**2.10 Trade payables**

| | As at | |
|---|---|---|
| | 31 March 2022 | 31 March 2021 |
| | (EUR) | (EUR) |
| Trade payables | - | 2 |
| Trade payables-related party (refer note:2.21) | 205 | 671 |
| | **205** | **673** |
| Unbilled and accruals | 30 | 5 |
| Unbilled and accruals-related parties (refer note 2.21) | 577 | 51 |
| | **607** | **56** |
| | **812** | **729** |

| Particulars | Not Due | Outstanding as at 31 March 2022 from the due date of payment | | | | |
|---|---|---|---|---|---|---|
| | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Others | - | 192 | 13 | - | - | 205 |
| | | | | | | 205 |
| Unbilled and accruals | | | | | | 607 |
| | | | | | | **812** |

| Particulars | Not Due | Outstanding as at 31 March 2021 from the due date of payment | | | | |
|---|---|---|---|---|---|---|
| | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Others | - | 673 | - | - | - | 673 |
| | | | | | | 673 |
| Unbilled and accruals | | | | | | 56 |
| | | | | | | **729** |

**2.11 Other financial liabilities**

| | As at | |
|---|---|---|
| | 31 March 2022 | 31 March 2021 |
| | (EUR) | (EUR) |
| **Current** | | |
| **Carried at amortised cost** | | |
| Interest payable- related parties (refer note:2.21) | - | - |
| **Others** | | |
| Capital accounts payables | - | 14 |
| | **-** | **14** |

**2.12 Other current liabilities**

| | As at | |
|---|---|---|
| | 31 March 2022 | 31 March 2021 |
| | (EUR) | (EUR) |
| Other advances | | |
| Advance received from customer | 139 | 139 |
| Others | | |
| VAT payable | 73 | 35 |
| Withholding and other taxes payable | 254 | - |
| | **466** | **174** |

**2.13 Revenue from operations**

| | Year ended | |
|---|---|---|
| | 31 March 2022 | 31 March 2021 |
| | (EUR) | (EUR) |
| Sale of services | 2,100 | 1,348 |
| Sale of hardware and software | 582 | 29 |
| | **2,682** | **1,377** |

**Disaggregate Revenue Information**

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

| | Year ended | |
|---|---|---|
| | 31 March 2022 | 31 March 2021 |
| | (EUR) | (EUR) |
| **Contract type** | | |
| Fixed price | 2,653 | 1,353 |
| Time and material | 29 | 24 |
| **Total** | **2,682** | **1,377** |
| **Geography wise** | | |
| America | 128 | - |
| Europe | 2,551 | 1,365 |
| Others | 3 | 12 |
| | **2,682** | **1,377** |

**Remaining performance obligations**

As at 31 March 2022, the aggregate amount of transaction price allocated to remaining performance obligations as per the requirements of Ind AS 115 was EUR 1,903 out of which, approximately 45% is expected to be recognized as revenues within one year and the balance beyond one year. This is after exclusions of below:

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

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

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

**Contract balances**

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

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

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

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| | (EUR) | (EUR) |
| Balance as at beginning of the year | 340 | 320 |
| Additional amounts billed but not recognized as revenue | 185 | 108 |
| Deduction on account of revenues recognized during the year | (71) | (88) |
| **Balance as at end of the year** | **454** | **340** |

**2.13 Revenue from operations (continued)**

Deferred contract cost: Deferred contract cost primarily represents the contract fulfilment cost and cost for obtaining the contract.

The below table discloses the movement in balance of deferred contract cost :

| | Year ended | |
|---|---|---|
| | 31 March 2022 | 31 March 2021 |
| | (EUR) | (EUR) |
| Balance as at beginning of the year | 341 | - |
| Cost capitalised during the year | 195 | 341 |
| Deduction on account of cost amortised during the year | (73) | - |
| **Balance as at end of the year** | **463** | **341** |

The contracted price equals the revenue recognized since there is no reduction towards variable consideration component during the year.

**2.14 Other income**

| | Year ended | |
|---|---|---|
| | 31 March 2022 | 31 March 2021 |
| | (EUR) | (EUR) |
| Provision for doubtful/bad debts written back | 16 | 1 |
| Interest Income | 1 | - |
| Exchange differences (net) | 20 | 2 |
| | **37** | **3** |

**2.15 Changes in inventories of stock in trade**

| | Year ended | |
|---|---|---|
| | 31 March 2022 | 31 March 2021 |
| | (EUR) | (EUR) |
| Opening stock | 32 | 49 |
| Less : Closing stock | 38 | 32 |
| | **(6)** | **17** |

**2.16 Finance cost**

| | Year ended | |
|---|---|---|
| | 31 March 2022 | 31 March 2021 |
| | (EUR) | (EUR) |
| Bank charges | 3 | 2 |
| Interest | | |
| -on leased assets | - | - |
| -others | - | 1 |
| | **3** | **3** |

**2.17 Other expenses**

| | Year ended | |
|---|---|---|
| | 31 March 2022 | 31 March 2021 |
| | (EUR) | (EUR) |
| Legal and professional charges | 28 | 22 |
| Rates and taxes | 46 | 5 |
| | **74** | **27** |

**2.18 Income taxes**

| | Year ended | |
|---|---|---|
| | 31 March 2022 | 31 March 2021 |
| | (EUR) | (EUR) |
| **Income tax charged to statement of profit and loss** | | |
| Current income tax charge | 32 | 90 |
| Deferred tax charge (credit) | 18 | (67) |
| | **50** | **23** |

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

| | Year ended | |
|---|---|---|
| | 31 March 2022 | 31 March 2021 |
| | (EUR) | (EUR) |
| Profit before income tax | 109 | 70 |
| Statutory tax rate | 22.00% | 24.00% |
| **Expected tax expense** | **24** | **17** |
| Permanent difference | 10 | 1 |
| Impact of prior year provision | 5 | - |
| Others | 11 | 5 |
| **Total taxes** | **50** | **23** |
| Effective income tax rate | 45.51% | 32.64% |

Components of deferred tax assets and liabilities as on 31 March 2022 **Amount in (EUR)**

| | Opening balance | Recognized in profit and loss | Closing balance |
|---|---|---|---|
| **Deferred tax assets** | | | |
| Accumulated losses | 88 | (88) | - |
| Provision for doubtful debts | 4 | (4) | - |
| Provision for Expenses | 1 | 6 | 7 |
| Depreciation and amortization | 13 | (6) | 6 |
| Others | 24 | 73 | 97 |
| **Gross deferred tax assets (A)** | **130** | **(19)** | **110** |
| **Deferred tax liabilities** | | | |
| Intangibles | 1 | (1) | - |
| **Gross deferred tax liabilities (B)** | **1** | **(1)** | **-** |
| **Net deferred tax assets (A-B)** | **129** | **(18)** | **110** |

Components of deferred tax assets and liabilities as on 31 March 2021 **Amount in (EUR)**

| | Opening balance | Recognized in profit and loss | Closing balance |
|---|---|---|---|
| **Deferred tax assets** | | | |
| Accumulated losses | - | 88 | 88 |
| Provision for doubtful debts | 5 | (1) | 4 |
| Provision for Expenses | 46 | (45) | 1 |
| Depreciation and amortization | 9 | 4 | 13 |
| Others | 4 | 20 | 24 |
| **Gross deferred tax assets (A)** | **64** | **66** | **130** |
| **Deferred tax liabilities** | | | |
| Intangibles | 2 | (1) | 1 |
| **Gross deferred tax liabilities (B)** | **2** | **(1)** | **1** |
| **Net deferred tax assets (A-B)** | **62** | **67** | **129** |

**2.19 Segment Reporting**

Operating segments are defined as components of an enterprise for which discrete financial information is available and their results are reviewed regularly by the chief operating decision maker (CODM), for allocation of resources and assessing performance.

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. Hence there is only one reportable segment of the Company, as envisaged under Indian Accounting Standards -108 "Operating segments".

Revenue disagreegation as per geography is given in note 2.13.

**2.20 Earnings per share (EPS)**

| | As at | |
|---|---|---|
| | **31 March 2022** | **31 March 2021** |
| | **(EUR)** | **(EUR)** |
| Net Profit/(loss) as per statement of profit and loss for computation of EPS | 59 | 47 |
| Weighted average number of equity shares outstanding in calculating Basic EPS | 441,000 | 441,000 |
| Weighted average number of equity shares outstanding in calculating Dilutive EPS | 441,000 | 441,000 |
| Nominal value of equity shares | 1 | 1 |
| **Earning per equity share** | | |
| Basic | 0.13 | 0.11 |
| Diluted | 0.13 | 0.11 |

**2.21 Related party transactions**

**a) Related parties where control exists**

**Ultimate Holding company**
HCL Technologies Limited
**Holding company**
HCL Technologies UK Limited

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

**2.21 Related party transactions (Continued)**

**Fellow subsidiaries**

HCL (New Zealand) Limited
Axon Solutions Limited
HCL Techechnologies Belgium BVBA
HCL Great Britain Limited
HCL Technologies Denmark ApS
HCL America Inc.
HCL Technologies Sweden AB
HCL Technologies Finland Oy
HCL Singapore Pte Limited
HCL Poland SP.Z O.O.
HCL Technologies (Taiwan) Limited
HCL Asia Pacific Pte Limited
HCL Technologies (Shanghai) Limited
HCL Technologies Lanka (Private) Limited
Telerx Marketing Inc.
PT HCL Technologies Indonesia Limited
HCL Technologies Bulgaria EOOD
HCL Technologies Malaysia SDN BHD
HCL Technologies (Thailand) Limited
HCL Hungary Kft
HCL Technologies Philippines, Inc
HCL Technologies Romania SRL
HCL Technologies Columbia S.A.S
HCL Argentina S.A.
HCL Latin America Holding LLC
HCL Technology Chile SPA
HCL Technologies France SAS
HCL Axon Solutions (Shanghai) Co., Ltd.
HCL Japan Limited
HCL Technologies Czech Republic S.R.O.
HCL Canada Inc.
HCL Technologies (PTY) Limited (Formerly known as HCL Axon (Proprietary Limited)
HCL Arabia LLC
HCL Technologies Middle East FZ-LLC

**c) Transactions with related parties**

| | Ultimate Holding company | | Holding company | | Fellow subsidiares | |
|---|---|---|---|---|---|---|
| | Year ended | | Year ended | | Year ended | |
| | 31 March 2022 | 31 March 2021 | 31 March 2022 | 31 March 2021 | 31 March 2022 | 31 March 2021 |
| | (EUR) | (EUR) | (EUR) | (EUR) | (EUR) | (EUR) |
| Revenue | 1 | - | - | - | 108 | 10 |
| Outsourcing costs | 1,607 | 662 | 6 | 67 | 581 | 586 |

**d) Outstanding balances with related parties**

| | Ultimate Holding company | | Holding company | | Fellow subsidiares | |
|---|---|---|---|---|---|---|
| | As at | | As at | | As at | |
| | 31 March 2022 | 31 March 2021 | 31 March 2022 | 31 March 2021 | 31 March 2022 | 31 March 2021 |
| | (EUR) | (EUR) | (EUR) | (EUR) | (EUR) | (EUR) |
| Trade payables- Unbilled and accruals | 577 | 51 | - | - | - | - |
| Trade payables- Billed | 7 | 403 | 2 | 67 | 196 | 201 |
| Deferred Contract Cost | 463 | 341 | - | - | - | - |
| Interest Payable | - | - | - | - | - | - |
| Other current assets | - | - | - | - | 50 | 23 |
| Trade Receivables including Unbilled | 187 | - | - | - | 59 | 265 |

**2.22 Capital commitments**

| | As at | |
|---|---|---|
| | 31 March 2022 | 31 March 2021 |
| | (EUR) | (EUR) |
| **Capital commitments** | | |
| Estimated Amount of unexecuted capital contracts (net of advances) | 8 | 22 |
| Total | **8** | **22** |

**2.23 Financial Instruments**

**(a) Financial Assets and Liabilities**

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

| | 31 March 2022 | | 31 March 2021 | |
|---|---|---|---|---|
| | Amortised Cost | Total carrying value | Amortised Cost | Total carrying value |
| | (EUR) | (EUR) | (EUR) | (EUR) |
| **Financial Assets** | | | | |
| Trade receivables (including unbilled) | 1,065 | 1,065 | 568 | 568 |
| Cash and cash equivalents | 348 | 348 | 326 | 326 |
| Others (Refer note: 2.3) | 283 | 283 | - | - |
| **Total** | **1,696** | **1,696** | **894** | **894** |
| **Financial Liabilities** | | | | |
| Trade payables (including unbilled and accruals) | 812 | 812 | 729 | 729 |
| Lease liabilities | 3 | 3 | - | - |
| Others (Refer note: 2.11) | - | - | 14 | 14 |
| **Total** | **815** | **815** | **743** | **743** |

**(b) Financial risk management**

The Company is exposed to market risk, credit risk and liquidity risk which may impact the fair value of its financial instruments. The Company has a risk management policy to manage & mitigate these risks.

The Company's risk management policy aims to reduce volatility in financial statements while maintaining balance between providing predictability in the Company's business plan along with reasonable participation in market movement.

**Market risk**

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

**Foreign currency risk**

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

The exchange rate risk primarily arises from assets and liabilities denominated in curriences other than functional curreny. An insignificant portion of the Company's revenue is in other foreign currency while a large portion of costs are in EUR. The fluctuation in exchange rates in respect to EUR may have insignificant impact on the statement of profit and loss and equity.

Appreciation / depreciation of 1% in respective foreign currencies with respect to functional currency of the Company would result in decrease / increase in the Company’s profit before tax which is not material for the year ended 31 March 2022.

The rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 1% against the respective functional currencies of the Company and its branches. The sensitivity analysis presented above may not be representative of the actual change.

Non-derivative foreign currency exposure as of 31 March 2022 and 31 March 2021 in major currencies is as below:

| | Financial assets | | Financial liabilities | |
|---|---|---|---|---|
| | 31 March 2022 | 31 March 2021 | 31 March 2022 | 31 March 2021 |
| | (EUR) | (EUR) | (EUR) | (EUR) |
| USD/EUR | - | 15 | 6 | 354 |
| ARS/EUR | - | - | 13 | 14 |
| GBP/EUR | - | - | 2 | - |

**2.23 Financial Instruments (Continued)**

**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 instruments. Hence the Company is not significantly exposed to interest rate risk.

**Credit risk**

Financial instruments that potentially subject the Company to concentration of credit risk consist principally of cash and bank balances, trade receivables, unbilled revenue, finance lease receivables. By their nature, all such financial instruments involve risks, including the credit risk of nonperformance by counterparties.

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

| | As at | |
|---|---|---|
| | 31 March 2022 | 31 March 2021 |
| | (EUR) | (EUR) |
| Balance at the beginning of the year | 17 | 19 |
| Additional/(Reversal of) provision during the year | (16) | (1) |
| Deductions on account of write offs and collections | - | 2 |
| **Balance at the end of the year** | 1 | **17** |

**Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with financial liabilities. The investment philosophy of the Company is capital preservation and liquidity in preference to returns. The Company consistently generates sufficient cash flows from operations and has access to multiple sources of funding to meet the financial obligations and maintain adequate liquidity for use.

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

| | Year 1 | Year 2 | Total |
|---|---|---|---|
| | (EUR) | (EUR) | (EUR) |
| **As at 31st March 2022** | | | |
| Trade Payables (including unbilled and accruals) | 812 | - | 812 |
| Lease liabilities | 2 | 1 | 3 |
| Other financial liabilities | - | - | - |
| **Total** | **814** | **1** | **815** |

| | Year 1 | Year 2 | Total |
|---|---|---|---|
| | (EUR) | (EUR) | (EUR) |
| **As at 31st March 2021** | | | |
| Trade Payables (including unbilled and accruals) | 729 | - | 729 |
| Other financial liabilities | 14 | - | 14 |
| **Total** | **743** | **-** | **743** |

**2.24 Leases**

**(a) Company as a lessee**
The Company's significant leasing arrangements are in respect of leases for IT equipments.

The details of right-of-use assets held by the company is as follows:

| | Computers and networking equipments | Total |
|---|---|---|
| | (EUR) | (EUR) |
| **Balance as at 1 April 2021** | - | - |
| Additions | 3 | 3 |
| Depreciation charge for the year | 1 | 1 |
| **Balance as at 31 March 2022** | **2** | **2** |

The reconciliation of lease liabilities is as follows:

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| | (EUR) | (EUR) |
| **Balance as at beginning of the year** | - | - |
| Additions | 5 | - |
| Amount recognised in statement of profit and loss as interest | - | - |
| Payment of lease liabilities | 2 | - |
| **Balance as at end of the year** | **3** | **-** |

The lease rentals recognised in the statement of profit and loss for the year is EUR 1 thousands.

The following table presents a maturity analysis of expected undiscounted cash flows for lease liabilities :

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| | (EUR) | (EUR) |
| Within one year | 2 | - |
| One to two years | 1 | - |
| Two to three years | - | - |
| Three to five years | - | - |
| Thereafter | - | - |
| **Total lease payments** | 3 | - |
| Imputed interest | - | - |
| **Total lease liabilities** | **3** | **-** |

Certain lease agreements include options to terminate or extend the leases. The lease agreements do not contain any material residual value guarantees or material restrictive covenants.

**(b) Company as a Lessor**
The Company has given IT equipments to its customers on a finance lease basis. The future lease receivables in respect of assets given on finance lease are as follows:

| | Total minimum lease payments receivable | Interest included in minimum lease payments receivable | Present value of minimum lease payments receivable |
|---|---|---|---|
| **As at 31 March 2022** | | | |
| Not later than one year | 153 | 6 | 147 |
| Later than one year but not later than five years | 141 | 5 | 136 |
| | **294** | **11** | **283** |

**HCL Technologies Greece Single Member P.C.**
**Notes to financial statements for the year ended 31 March 2022**
**(All amounts in thousands except share data and as stated otherwise)**

**2.25 Ratios**

| Ratio | Numerator | Denominator | Units | Year ended | | Variance |
|---|---|---|---|---|---|---|
| | | | | 31 March 2022 | 31 March 2021 | |
| | | | | | | |
| Current ratio | Current assets | Current liabilities | Times | 1.08 | 1.11 | -3% |
| Return on equity ratio | Profit for the year | Average total equity | % | 8.26% | 7.13% | 16% |
| Inventory turnover ratio | Cost of good sold (refer note 4 below) | Average inventories | Times | 4.75 | 0.70 | 575% |
| Trade receivables turnover ratio | Revenue from operations | Average trade receivables | Times | 3.29 | 1.74 | 89% |
| Trade payables turnover ratio | Net credit purchases (refer note 5 below) | Average trade payables | Times | 3.29 | 1.77 | 86% |
| Net capital turnover ratio | Revenue from operations | Working capital (refer note below 1) | Times | 15.27 | 7.88 | 94% |
| Net profit ratio | Profit for the year | Revenue from operations | % | 2.19% | 3.41% | -36% |
| Return on capital employed | Earning before interest and taxes | Capital employed (refer note 2 below) | % | 14.80% | 10.57% | 40% |

**Notes :**
(1) Working capital = current assets - current liabilities
(2) Capital employed = Tangible net worth includes acquired goodwill and other intangibles assets + total debt - deferred tax assets
(3) Average is calculated based on simple average of opening and closing balances
(4) Cost of goods sold includes purchase of stock in trade and change in inventories of stock in trade
(5) Net credit purchase includes purchase of stock-in-trade , change in inventories of stock-in-trade, outsourcing costs and other expenses

**Explanation where change in the ratio is more than 25%**

Return on equity ratio - As profit in the current year is increasing, thus return on equity has increased.
Inventory turnover ratio - Increase is due to increase in Cost of goods sold related to finance lease receivables.
Trade receivables turnover ratio - Turnover has increased in the current year. Consequently, Trade recievables turnover ratio has increased.
Trade payables turnover ratio - Due to increase in credit purchases, Trade paybles turonver ratio has increased.
Net capital turnover ratio - As turnover has increased, Net capital turnover ratio increased in current year.
Return on capital employed - As profit after tax has increased in current year, Return on capital employed also increased.

**2.26 Subsequent events**

The Company has evaluated all the subsequent events through 30th June 2022, which is the date on which these financial statements were issued, and no events have occurred from the balance sheet date through that date except for matters that have already been considered in the financial statements.

**2.27** The Company has presented its financial statements in "EUR in thousands" and accordingly, amounts less than EUR 0.50 thousands are rounded off to "-".

The accompanying notes are an integral part of the financial statements

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

Rakesh Dewan
Rakesh Dewan (Jun 30, 2022 20:16 GMT+5.5)

**Rakesh Dewan**
**Partner**
Membership Number : 092212

Gurugram, India
Date : 30th June 2022

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

**Ramachandran Sundararajan**
Director

**Shiv Kumar Walia**
Director

Date : 30th June 2022