

# **HCL Technologies Denmark ApS**

**Tuborg Boulevard 12, 3., 2900 Hellerup**

**Company reg. no. 33 04 14 54**

## **Annual report**

**1 April - 31 December 2022**

The annual report was submitted and approved by the general meeting on the 11 May 2023.



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**Goutam Rungta**  
Chairman of the meeting

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Notes:

- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

## Management's statement

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Today, the board of directors and the managing director have presented the annual report of HCL Technologies Denmark ApS for the financial year 1 April - 31 December 2022.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2022 and of the company's results of activities in the financial year 1 April – 31 December 2022.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved at the Annual General Meeting.

Hellerup, 11 May 2023

### Managing Director

  
Goutam Rungta

### Board of directors

  
Goutam Rungta

  
Shiv Kumar Walia

  
Bejoy Joseph George

  
Deepa Nittur



## **Independent auditor's report**

### **To the shareholders of HCL Technologies Denmark ApS**

#### **Opinion**

We have audited the financial statements of HCL Technologies Denmark ApS for the financial year 1 April 2022 – 31 December 2022 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 April – 31 December 2022 in accordance with the Danish Financial Statements Act.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

#### **Management's responsibility for the financial statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control, that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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



## Independent auditor's report

### Auditor's responsibilities for the audit of the financial statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

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

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



## Independent auditor's report

### Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.


Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 11 May 2023

**KPMG**

Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98



Klaus Rytz  
State Authorised  
Public Accountant  
mne33205

## Company information

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<b>The company</b>	HCL Technologies Denmark ApS Tuborg Boulevard 12, 3. 2900 Hellerup
	Company reg. no. 33 04 14 54 Financial year: 1 April 2022 - 31 December 2022
<b>Board of directors</b>	Goutam Rungta Shiv Kumar Walia Bejoy Joseph George Deepa Nittur
<b>Managing Director</b>	Goutam Rungta
<b>Auditors</b>	KPMG P/S Dampfærgevej 28 2100 København Ø
<b>Bankers</b>	Citibank
<b>Parent company</b>	HCL Technologies Limited

## Financial highlights

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DKK in thousands.	<u>2022</u>	<u>2021/22</u>	<u>2020/21</u>	<u>2019/20</u>	<u>2018/19</u>
<b>Income statement:</b>					
Revenue	524.014	606.170	529.701	583.187	601.768
Gross profit	125.861	138.416	137.328	153.525	140.369
Profit from operating activities	27.678	33.221	30.381	30.151	34.541
Net financials	135	-274	-447	-989	-47
Net profit or loss for the year	21.689	25.692	23.333	22.730	26.889
<b>Statement of financial position:</b>					
Balance sheet total	417.715	301.655	290.495	258.326	280.194
Investments in tangible fixed assets	0	0	703	1.120	730
Equity	157.701	136.012	110.320	86.987	64.256
<b>Employees:</b>					
Average number of full-time employees	151	114	100	122	126
<b>Key figures in %:</b>					
Gross margin ratio	24,0	22,8	25,9	26,3	23,3
Profit margin (EBIT margin)	5,3	5,5	5,7	5,2	5,7
Acid test ratio	172,0	192,6	169,7	151,8	128,3
Solvency ratio	37,8	45,1	38,0	33,7	22,9
Return on equity	14,8	20,9	23,7	30,1	52,9
Return on assets	6,6	10,4	10,4	11,7	12,3

Calculations of key figures and ratios do, in all material respects, follow the recommendations of the Danish Association of Finance Analysts, only in a few respects deviating from the recommendations.



## Financial highlights

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The key figures and ratios shown in the statement of financial highlights have been calculated as follows:

<b>Gross margin ratio</b>	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
<b>Profit margin (EBIT margin)</b>	$\frac{\text{Operating profit or loss (EBIT)} \times 100}{\text{Revenue}}$
<b>Acid test ratio</b>	$\frac{\text{Current assets} \times 100}{\text{Short term liabilities other than provisions}}$
<b>Solvency ratio</b>	$\frac{\text{Equity, closing balance} \times 100}{\text{Total assets, closing balance}}$
<b>Return on equity</b>	$\frac{\text{Net profit or loss for the year} \times 100}{\text{Average equity}}$
<b>Return on assets</b>	$\frac{\text{Results from operating activities} \times 100}{\text{Assets in total, closing balance}}$

## **Management's review**

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### **The principal activities of the company**

1.To supply all kinds of IT solutions for software management services for remote infrastructure outsourcing of business processes and all related services.

2.To advise on and deliver services such as employee and management recruitment, training and internships, technical data analysis, signal processing, preparation of project reports, studies and analysis aimed at project implementation and processing review it, critical analysis, organizational and methodological studies and economic, mathematical, statistical, scientific and modern management techniques thereof and to establish and provide all consultancy and other services of professional and technical in nature and carry out projects, tasks and appointments.

### **Unusual circumstances**

No unusual circumstances have affected the company's activities during the year.

### **Uncertainties about recognition or measurement**

The company has no uncertainty relating to recognition and measurement.

### **Development in activities and financial matters**

Due to preponement of Annual General Meeting compliances as per companies act 2013 for the ultimate holding company, which is listed on Bombay Stock exchange and National Stock exchange,India, as per regulation 44 (5) of the SEBI (listing obligations and disclosure requirements )Regulations 2015 in India, , Management intent to change the financial year of the Company from March to December, so as to meet the compliances requirements. The Company has adopted this change from the current financial year and accordingly, the current financial year is for nine month period from 1 April 2022 to 31 December, 2022. Accordingly, the figures for the current financial year are not comparable to those of the previous year.

The revenue for the year totals DKK 524.014.329 (9 months) against DKK 606.170.365 (12 months) last year. Income or loss from ordinary activities after tax totals DKK 21.689.004 (9 months) against DKK 25.692.352 (12 months) last year. Management considers the net profit for the year satisfactory.

### **Special risks**

The software industry is characterized by a dynamic and fiercely competing environment with rapid technological changes and innovations, which constantly challenge the existing and conventional business models. The Company is confronted with several business risks. The most important ones will be explained below:

#### *Dependencies/concentrations*

The group led by the ultimate parent company, HCL Technologies Ltd. in India, which HCL Technologies Denmark ApS belongs to, maintains a broad customer base to ensure the independence from individuals, clients, special services or geographical factors.

## Management's review

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### *Competition*

To continue to have a strong position in the market and remain competitive, the group has made substantial investments in software technology and other offshore technologies.

### *People*

In line with the parent company, the company has approved an initiative under the name "Employee first". In combination with other measures, this initiative aims at making the company an attractive employer.

### *Finance*

The company is exposed to some financial risks, e.g., exchange rate risks, credit risks and the risk of inability to pay. The company has established an internal control mechanism aiming at reducing these risks.

### **Research and development activities**

The research and development is done centrally by the ultimate parent company, HCL Technologies Ltd.

### **Expected developments**

The company expects a profit after tax at approx. 30 Mn. DKK for the coming year.

The company expects a normal increase in revenue approximately 5% keeping the Profit Before Tax intact similar to last year to arrive at expected profit after tax.

### **Statements of corporate social responsibility**

#### *Business model and engagement*

HCL Technologies Denmark ApS is the wholly owned subsidiary of HCL Technologies Austria Ltd., which is ultimately held by ultimate parent company HCL Technologies Limited. The business activities are related to IT-solutions within the area of software, management services, outsourcing services, consultancy services and related business activities. Specifically, HCL Technologies Denmark ApS helps enterprises reimagine their businesses for the digital age.

HCL Technologies Denmark ApS main impacts on society are related to social conditions amongst suppliers. In relation to HCL Technologies Denmark ApS own operations, the main impacts are related to labor conditions and environmental issues such as waste and energy use related to the office.

#### *Environmental issues – including climate change*

**Policy:** As a responsible company, HCL Technologies Denmark believe that we have a responsibility for the future. The company is therefore committed to reducing our impact on the environment and climate, including reducing our energy consumption. Therefore we always consider multiple solutions in everything that we do, and choose the one with the lowest energy consumption..

## Management's review

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**Risks, actions and results:** HCL Technologies Denmark ApS has not identified any material risks related to environment. HCL Technologies Denmark ApS has continued to reduce the company's environmental impact in 2022 and has not registered any breaches of environmental legislation during the year.

Further, HCL Technologies Denmark ApS has identified energy consumption in the office and employee transportation to clients, as the main areas with risks of having a negative climate impact in terms of energy use and CO2 emissions. In 2022, we due to COVID conditions continued encouraging employees to avail our video conferencing services and reduce travel by conducting virtual meetings instead. This has had a positive impact on the amount of travelled kilometer.

### *Social issues and employee issues*

**Policy:** HCL Technologies Denmark ApS recognizes our employees as the most valuable asset for the company. Therefore, the company is committed to providing a healthy work environment for all employees, as well as, providing continuous education of our workforce to make sure their competencies stay up-dated and relevant. We aim to have an employee satisfaction rate of 100%.

**Risks, actions, and results:** With regards to labor conditions, HCL Technologies Denmark ApS has identified risks related to wellness, wellbeing and career development among employees. In 2022, the company continued an open dialogue with the employees to ensure their wellbeing. The company has different types of leave policy annual leave, vacation leave, paternity and maternity leave etc. for the wellbeing of employees. In 2022, out of total leave taken by employees around 9.3% percent sick leave were taken. We have two male employees who have availed parental leave in the last one year.

### *Human rights*

**Policy:** HCL Technologies Denmark ApS recognizes its social responsibility not only in relation to its own employees but also in relation to employees at suppliers. The company supports and respects the internationally recognized human rights as formulated in the UN Human Rights Declaration and the internationally recognized labor rights as specified in the International Labor Organization (ILO) core conventions.

**Risks, actions and results:** HCL Technologies Denmark has identified the risk of discrimination and harassment including sexual harassment at workplace. To provide a safe and healthy work environment free of any hassles and to prevent and redress the harassment complaints, the Company has in place Prevention and Redressal of Sexual Harassment at Work Place Policy. To mitigate the risks and to secure a satisfactory and healthy work environment, HCL Technologies Denmark ApS there is option to raise online complaint by raising Smart Service Desk requests or by writing to [hear@hcl.com](mailto:hear@hcl.com) / [secure@hcl.com](mailto:secure@hcl.com). However, no such incident has been reported.

### *Fighting corruption and bribery*

**Policy:** It is the policy of HCL Technologies Denmark to conduct all of its business activities with honesty, integrity and the highest possible ethical standards and vigorously enforce its business practice, wherever it operates throughout the world, of not engaging in bribery or corruption.

## Management's review

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**Risks, actions, and results:** HCL Technologies Denmark has identified the most material risks associated with anti-corruption as related to giving improper benefits due to relationships between employees and customers. The company has online courses and encourage employees to undergo training on Business ethics and anti-corruption/bribery sessions. In 2022 total 150 employees attended these training programs.

Also HCL Technologies Denmark ApS continued its practice of encouraging the employees to raise concerns about any issues or suspicion of malpractices at the earliest possible to the Reporting Manger and/or the Whistle Blower Committee via the whistleblower e- mail address. However, no such incident has been reported.

HCL Technologies Denmark ApS expect to continue its focus on environmental issues - including climate change, social issues and employee issues, human rights and fighting corruption and bribery in the coming year.

### Target figures and policies for the underrepresented gender

**Board of directors:** HCL Technologies Denmark ApS board consisted of three men on 31-12-2022. It is the company's target to have one female elected for the Board of Directors before the end of 2023. HCL Technologies Denmark ApS did not reach the target for 2022 due to no rotation in the Board during the year. The Company has appointed Ms. Deepa Nittur on March 17, 2023 and hence the company have reached the target of one female director on the Board of Directors after the end of financial year on March 17, 2023.

**Management:** It is HCL Technologies Denmark ApS policy that management positions must be occupied by the most suitable candidates while at the same time wishing to qualify female management talents. In order to follow the policy, at least one person of each gender should be among the last three candidates when recruiting for management positions. At 31-12-2022 the proportion of the underrepresented gender in the company's other management levels constituted 22 women and 138 men. The goal to achieve 14% women in executive and middle management positions is accomplished

### *Target figures and policies for the under-represented sex*

HCL Technologies Denmark ApS is step down wholly owned subsidiary of HCL Technologies Limited, based in Noida. It is engaged in provision of Information Technology services worldwide. The Company is determined to promote diversity and achieve sensible gender diversity based on desire to strengthen the overall decision making and competencies in the Company. The Company believes that gender balance has positive working environment.

It is the goal of the Board that its members should have competency in finance and business so that they can meet the company goals after understanding the business requirements. The nomination of the board members is done at the group level based on assessment of the competency of the candidate.

## **Management's review**

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As on date, the Board comprises of three male non-executive directors and one female director. The Company has already elected one female for the Board of Directors on March 17, 2023 after the end of the financial year.

The Company has already appointed one female director in the Board of Directors on March 17, 2023.

The Company recruits middle and executive management based on the strength of the candidate and his competencies and his match with the company requirement. The Company will strive to achieve better female gender ratio at executive and middlemen management. The total employees in the company were 160 at December 31, 2022 of which 22 women and 138 men constituted HCL Technologies Denmark's middle and executive management. On the gender diversity the HCL group have done an organization wide initiative which is being implement locally in each geo. The Company is striving to achieve a better female gender ratio each year. The Company launched a new series of workshops around gender inclusion sensitization called 'Balance the Scales - be an ally' designed for managers with more than four women employees in their team.

The Company as part of HCL group will consider the need to initiate specific actions to promote a higher level of gender diversity in the middle and lower management and has already achieved target of 14 % women in executive and middle management so that decisions taken are for the betterment of the company.

There are various HR policies in force for the betterment of the employees of the company.

### **Data Ethics Policy**

As business and technological opportunities grow so does the amount of data handled and stored. Data access and exchange is fundamental for us in order to run an efficient operation and in order to provide the best possible experience to our customers, employees and other partners.

It is deeply rooted in our company values that we run a tidy business, meaning that we act in a professional and reliable manner towards our customers and partners. Therefore, we are dedicated to following the legislation on data privacy. Beyond that we also handle vast amount of data that is essential to our daily operation. Data includes information about our customers and their customers, and we take our responsibility for keeping all data safe.

As we follow all rules and legislations related to data privacy we do not see the need for a separate formally written policy for data ethics currently. However, as the use of and storage of data is continuously increasing and becoming more and more critical we will start formulating a formal policy around data ethics.

## **Accounting policies**

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The annual report for HCL Technologies Denmark ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (large enterprises).

The accounting policies are unchanged from last year, and the annual report is presented in DKK

The Company has changed the financial reporting period from 1 April - 31 March to 1 January - 31 December. The transition period covers 1 April 2022 - 31 December 2022.

Pursuant to section 86 (4) of the Danish Financial Statements Act, no statement of cash flows for the enterprise has been prepared, as the relevant information is included in the consolidated financial statements of HCL Technologies Limited, India.

### **Recognition and measurement in general**

Revenues are recognized in the Income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortized costs are recognized. Moreover, all expenses incurred to achieve the earnings for the year are recognized in the Income statement, including depreciation, amortization, write-downs and provisions.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at cost, thus recognising a constant effective interest over the term. Amortised cost is computed as original cost less deductions, if any, as well as additions/deductions of the difference between cost and nominal value.

### **Reclassification in Previous Periods**

A reclassification of certain liabilities from current liability to non-current liability has been made in the prior year's financial statement to enhance comparability with the current year's financial statement. As a result, Comparative figures pertaining to Deferred revenue and Capital lease obligation have been amended in the Balance Sheet to conform to the current year's presentation.

### **Foreign currency translation**

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of transaction. Exchange rate differences arising between the rate at the date of transaction and the rate at the date of payment are recognised in the income statement as an item under net financials.

## **Accounting policies**

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Debtors, creditors, and other monetary items in foreign currency, which are not settled at the date of the balance sheet, are translated by using the closing rate. The difference between the closing rate and the rate at the time of establishment of the receivable or the payable is recognised in the profit and loss account under financial income and financial costs.

### **Income statement**

#### **Net turnover**

The net revenues comprises of sale of Management Service fee and consultancy fee.

Revenue is measured net of all types of discounts/rebates granted. Also, revenue is measured net of VAT and other indirect taxes charged on behalf of third parties.

Revenue are recorded on an accrual basis when it has been realized or is realizable and earned.

#### **Time-and-material contracts**

Revenue with respect to time-and-material contracts is recognized as the related services are performed. In arrangements involving sharing of customer revenues, revenue is recognized when the amounts are known and the right to receive is established. Incremental revenue from existing contracts arising on future sales to the customers is recognized when it is earned and collectability is reasonably assured.

#### **Fixed Price contracts**

Revenue related to contracts providing maintenance and support services, is recognized over the term of the contract where the company has continuing obligation. Revenue from technology integration is recognized in accordance with the Percentage-Of-Completion (POC) method. Under the POC method, progress towards completion is measured based on either achievement of specified contract milestones, cost incurred as a proportion of estimated total cost or other measures of progress when available. If circumstances arise that change the original estimates of revenues, costs, or extent of progress towards completion, revisions are made to the estimates. These revisions may result in increase or decrease in estimated revenues or costs, and such revisions are reflected in income in the year in which the circumstances that gave rise to the revision become known to the management. 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 cost estimates. Contract losses are determined to be the amount by which the estimated total cost to complete exceeds the estimated total revenue that will be generated by the contract and are included in cost of sales and classified in other accrued liabilities.

#### **Cost of sales**

Cost of sales includes the cost of services used in generating the year's revenue.

#### **Other external costs**

Other external costs comprise costs for distribution, sale, marketing, administration, premises, bad debts etc.



## Accounting policies

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### Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

### Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

### Net financials

Net financials include interest income, interest expenses, realised and unrealised capital gains and losses on financial assets and liabilities. Net financials are recognised in the profit and loss account with the amounts concerning the financial year.

### Tax on net profit or loss for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

## Statement of financial position

### Intangible assets

#### Patents and licences

Other intangible assets include other acquired intangible rights, including software licenses and distribution rights. The estimated useful lives for intangible assets represent 3 years. The residual value represents 0 DKK.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

#### Customer relationship

Customer relationship is measured at cost less accumulated amortisation. Given that it is impossible to make a reliable estimate of the useful life, the amortisation period is set at 10 years.

#### Property, plant, and equipment

Tangible fixed assets are measured at cost with deduction of accrued depreciation and write-down.

The basis of depreciation is cost. The amortisation period is determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

## Accounting policies

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	Useful life
Other fixtures and fittings, tools and equipment	4-5 years

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.

### **Impairment loss relating to non-current assets**

The book values of fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets respectively. Writedown takes place to the recoverable amount, if this value is lower than the book value.

The recoverable value is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow deriving from the use of the asset or the group of assets.

### **Receivables**

Receivables are measured at amortised cost, which usually corresponds to the nominal value. Provisions are made for bad debts on the basis of objective evidence that a receivable or a group of receivables are impaired. Provisions are made to the lower of the net realizable value and the carrying amount.

### **Prepayments and accrued income**

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

### **Available funds**

Available funds comprise cash at bank.

### **Equity**

#### **Dividend**

Dividend expected to be distributed for the year is recognised as a separate item under the equity. Proposed dividend is recognised as a liability at the time of approval by the general meeting (the time of declaration).

## Accounting policies

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### **Income tax and deferred tax**

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

### **Liabilities other than provisions**

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

### **Accruals and deferred income**

Received payments concerning income during the following years are recognised under accrued expenses and deferred income.

### **Segmental statement**

Information is disclosed by activities and geographical markets. Segment information is based on the Company's accounting policies, risks and management control.

### **Segment reporting**

Till 31 March 2019, Chief operating decision maker (CODM) evaluated the Company's performance by business segment, comprising software services, infrastructure management services and business process outsourcing services. Consequent to reorganization of global operations due to technological changes and business requirements with increased focus to meet customer expectations and provide better services, the company effective 1 April 2019, has reorganized itself into IT and Business services, Engineering and R&D services and Products & Platforms.

Segment information previously reported has been restated to present business segments following the change in composition of operating segments. This change in segment presentation does not affect the income statement, Statement of financial position.

Segment revenue from customers by geographical area based on geographical location of the customer. The principal geographical segments of the company have been classified as America, Europe, India and others.

## Income statement

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All amounts in DKK.

<u>Note</u>	1/4 2022 - 31/12 2022	1/4 2021 - 31/3 2022
1 Revenue	524.014.329	606.170.365
Costs of raw materials and consumables	-392.079.162	-462.335.901
Other external costs	-6.074.507	-5.418.050
<b>Gross profit</b>	<b>125.860.660</b>	<b>138.416.414</b>
2 Staff costs	-97.312.936	-103.081.402
Depreciation, amortisation, and impairment	-869.713	-2.114.467
<b>Operating profit</b>	<b>27.678.011</b>	<b>33.220.545</b>
Other financial income	505.294	98.256
Other financial costs	-369.904	-372.009
<b>Pre-tax net profit</b>	<b>27.813.401</b>	<b>32.946.792</b>
3 Tax expense for the year	-6.124.397	-7.254.441
<b>4 Net profit for the year</b>	<b>21.689.004</b>	<b>25.692.351</b>

## Balance sheet

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All amounts in DKK.

<u>Note</u>	<u>31/12 2022</u>	<u>31/3 2022</u>
<b>Assets</b>		
<b>Non-current assets</b>		
6 Concessions, patents, licenses, trademarks, and similar rights acquired	103.143	178.782
7 Customer relationship	4.790.332	5.573.946
Total intangible assets	<u>4.893.475</u>	<u>5.752.728</u>
8 Other fixtures and fittings, tools and equipment	18.072	28.532
Total property, plant, and equipment	<u>18.072</u>	<u>28.532</u>
9 Other receivables	3.242	0
Total investments	<u>3.242</u>	<u>0</u>
<b>Total non-current assets</b>	<b><u>4.914.789</u></b>	<b><u>5.781.260</u></b>
<b>Current assets</b>		
Trade receivables	233.313.947	183.890.030
Receivables from group enterprises	89.202.863	95.543.110
10 Deferred tax assets	210.547	0
Income tax receivables	1.241.730	4.636.204
Other receivables	3.023.443	3.734.788
11 Prepayments and accrued income	6.346.384	6.957.064
Total receivables	<u>333.338.914</u>	<u>294.761.196</u>
Cash on hand and demand deposits	<u>79.461.660</u>	<u>1.112.883</u>
<b>Total current assets</b>	<b><u>412.800.574</u></b>	<b><u>295.874.079</u></b>
<b>Total assets</b>	<b><u>417.715.363</u></b>	<b><u>301.655.339</u></b>

## Balance sheet

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All amounts in DKK.

<u>Note</u>	<u>31/12 2022</u>	<u>31/3 2022</u>
<b>Equity and liabilities</b>		
<b>Equity</b>		
12 Contributed capital	3.268.624	3.268.624
Retained earnings	154.432.744	132.743.740
<b>Total equity</b>	<b>157.701.368</b>	<b>136.012.364</b>
<b>Provisions</b>		
Provisions for deferred tax	0	578.578
<b>Total provisions</b>	<b>0</b>	<b>578.578</b>
<b>Liabilities other than provisions</b>		
Prepayments received from customers	1.126.016	2.853.072
13 Other payables	11.034.497	7.287.299
14 Deferred income	7.806.044	1.304.475
Total long term liabilities other than provisions	19.966.557	11.444.846
Trade payables	22.500.633	14.904.101
Payables to group enterprises	155.250.933	94.478.767
Other payables	50.725.281	32.116.305
15 Accruals and deferred income	11.570.591	12.120.378
Total short term liabilities other than provisions	240.047.438	153.619.551
<b>Total liabilities other than provisions</b>	<b>260.013.995</b>	<b>165.064.397</b>
<b>Total equity and liabilities</b>	<b>417.715.363</b>	<b>301.655.339</b>
<b>5 Fees, auditor</b>		
<b>16 Charges and security</b>		
<b>17 Contingencies</b>		
<b>18 Related parties</b>		

## Statement of changes in equity

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All amounts in DKK.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 April 2021	3.268.624	107.051.389	110.320.013
Profit for the year brought forward	<u>0</u>	<u>25.692.351</u>	<u>25.692.351</u>
Equity 1 April 2022	3.268.624	132.743.740	136.012.364
Profit for the year brought forward	<u>0</u>	<u>21.689.004</u>	<u>21.689.004</u>
	<u><b>3.268.624</b></u>	<u><b>154.432.744</b></u>	<u><b>157.701.368</b></u>

## Notes

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All amounts in DKK.

	1/4 2022 - 31/12 2022	1/4 2021 - 31/3 2022			
<b>1. Revenue</b>					
IT and Business services	488.913.055	549.538.706			
Engineering and R&D services	14.756.086	24.754.114			
Products & Platforms	20.345.188	31.877.545			
	<u>524.014.329</u>	<u>606.170.365</u>			
<b>Segmental statement</b>					
	<u>USA</u>	<u>EU</u>	<u>India</u>	<u>Others</u>	<u>Total</u>
Geographically (TDKK)	<u>2.599</u>	<u>511.680</u>	<u>4.986</u>	<u>4.749</u>	<u>524.014</u>
<b>2. Staff costs</b>					
Salaries and wages	93.409.005	100.083.832			
Pension costs	3.130.150	2.555.403			
Other costs for social security	773.781	442.167			
	<u>97.312.936</u>	<u>103.081.402</u>			
Average number of employees			<u>151</u>		<u>114</u>
By reference to section 98b(3), (II), of the Danish Financial Statements Act, remuneration to management is not disclosed					
<b>3. Tax expense for the year</b>					
Tax of the results for the year	6.913.522	7.026.272			
Adjustment for the year of deferred tax	-789.125	228.169			
	<u>6.124.397</u>	<u>7.254.441</u>			
<b>4. Net profit for the year</b>					
Transferred to retained earnings	21.689.004	25.692.351			
<b>Total allocations and transfers</b>	<u>21.689.004</u>	<u>25.692.351</u>			



## Notes

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All amounts in DKK.

	1/4 2022 - 31/12 2022	1/4 2021 - 31/3 2022
<b>5. Fees, auditor</b>		
Total fee for KPMG P/S	<u>130.000</u>	<u>100.000</u>
Audit	<u>130.000</u>	<u>100.000</u>
	<b><u>130.000</u></b>	<b><u>100.000</u></b>
<b>6. Concessions, patents, licenses, trademarks, and similar rights acquired</b>		
Cost opening balance	<u>3.318.799</u>	<u>3.318.799</u>
<b>Cost end of period</b>	<b><u>3.318.799</u></b>	<b><u>3.318.799</u></b>
Amortisation and writedown opening balance	-3.140.017	-2.790.307
Amortisation for the year	<u>-75.639</u>	<u>-349.710</u>
<b>Amortisation and writedown end of period</b>	<b><u>-3.215.656</u></b>	<b><u>-3.140.017</u></b>
<b>Carrying amount, end of period</b>	<b><u>103.143</u></b>	<b><u>178.782</u></b>
<b>7. Customer relationship</b>		
Cost opening balance	<u>9.327.014</u>	<u>9.327.014</u>
<b>Cost end of period</b>	<b><u>9.327.014</u></b>	<b><u>9.327.014</u></b>
Amortisation and writedown opening balance	-3.753.068	-2.325.093
Amortisation for the year	<u>-783.614</u>	<u>-1.427.975</u>
<b>Amortisation and writedown end of period</b>	<b><u>-4.536.682</u></b>	<b><u>-3.753.068</u></b>
<b>Carrying amount, end of period</b>	<b><u>4.790.332</u></b>	<b><u>5.573.946</u></b>

## Notes

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All amounts in DKK.

	<u>31/12 2022</u>	<u>31/3 2022</u>
<b>8. Other fixtures and fittings, tools and equipment</b>		
Cost opening balance	227.257	2.948.292
Disposals during the year	<u>0</u>	<u>-2.721.035</u>
<b>Cost end of period</b>	<u><b>227.257</b></u>	<u><b>227.257</b></u>
Depreciation and writedown opening balance	-198.725	-1.478.554
Depreciation for the year	-10.460	-336.782
Reversal of depreciation, amortisation and writedown, assets disposed of	<u>0</u>	<u>1.616.611</u>
<b>Depreciation and writedown end of period</b>	<u><b>-209.185</b></u>	<u><b>-198.725</b></u>
<b>Carrying amount, end of period</b>	<u><b>18.072</b></u>	<u><b>28.532</b></u>
<b>9. Other receivables</b>		
Cost opening balance	0	0
Additions during the year	<u>3.242</u>	<u>0</u>
<b>Cost end of period</b>	<u><b>3.242</b></u>	<u><b>0</b></u>
<b>Carrying amount, end of period</b>	<u><b>3.242</b></u>	<u><b>0</b></u>
Which can be specified as follows		
Capital Advances	<u>3.242</u>	<u>0</u>
	<u><b>3.242</b></u>	<u><b>0</b></u>
<b>10. Deferred tax assets</b>		
Deferred tax assets opening balance	-578.578	-350.409
Deferred tax of the results for the year	<u>789.125</u>	<u>-228.169</u>
	<u><b>210.547</b></u>	<u><b>-578.578</b></u>

## Notes

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All amounts in DKK.

	<u>31/12 2022</u>	<u>31/3 2022</u>
<b>11. Prepayments and accrued income</b>		
Prepaid expenses	5.318.445	4.949.463
Employee recoverables	799.635	548.600
Contract assets	<u>228.304</u>	<u>1.459.001</u>
	<b><u>6.346.384</u></b>	<b><u>6.957.064</u></b>

Out of total prepayments and accrued income, DKK 4.592TDKK (2021/22: 4.302TDKK) are short term.

### 12. Contributed capital

The share capital consists of 439.205 shares, each with a nominal value of EUR 1, the equivalent value of DKK 3.268.624

### 13. Other payables

Holiday pay obligations, salaried staff	9.873.022	6.922.588
Other long term payables group	1.086.214	335.286
Capital lease obligation	<u>75.261</u>	<u>29.425</u>
	<b><u>11.034.497</u></b>	<b><u>7.287.299</u></b>

### 14. Deferred income

Deferred income consists of payments received from customers that cannot be recognised as revenue until in the subsequent financial year's.

### 15. Accruals and deferred income

Deferred income	<u>11.570.591</u>	<u>12.120.378</u>
	<b><u>11.570.591</u></b>	<b><u>12.120.378</u></b>

### 16. Charges and security

The Company has no pledges or collateral at 31 December 2022.

## Notes

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All amounts in DKK.

### 17. Contingencies

#### Contingent liabilities

Lease liabilities

The Company has entered into operating leases. Total future payments falling due within 1 year represents 1.280.889 DKK (2021/22 : 1.113.912 DKK)

### 18. Related parties

#### Controlling interest

Related party

Basis for control

HCL Technologies Austria GmbH

Majority shareholder

Vienna, Austria

#### Transactions

	1/4 2022 - 31/12 2022	1/4 2021 - 31/3 2022
Sale of services	43.191.455	38.003.077
Purchase of services	374.567.334	438.593.684
Interest on intermediate account with related parties (cost)	907.261	813.153
Receivables from related parties	89.202.863	95.543.110
Debt to related parties	155.250.933	94.478.767
Other payables to related parties	1.086.214	335.286

#### Consolidated financial statements

The consolidated annual accounts for HCL Technologies Limited, India may be ordered by contacting the company at following address. HCL Technologies Limited 806, Sidharth 96, Nehru Place, New Delhi 110019, India.