HCL Technologies, S.A.

Financial Statement

Year ended 31 March 2023 and 2022

Building No. 10, 12th Floor, Tower-C,
DLF Cyber City, Phase - II,
Gurugram - 122 002, India
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Independent Auditor's Report

To the Board of Directors of HCL Technologies S.A.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of HCL Technologies S.A. (the "Company"), which comprise the Balance Sheet as at 31 March 2023, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (collectively referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its loss and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

The Company's Management and Board of Directors are responsible for the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 ('the Act'). This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing opinion on whether the company has in place adequate internal financial controls with reference to financial statements and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of 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 content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Other Matter-Restriction on Use

As explained in note 1(a), these financial statements are prepared for the use by the Company and the Ultimate Holding Company, HCL Technologies Limited, to comply with the requirements of the Act. These financial statements are not the statutory financial statements of the Company. As a result, these financial statements may not be suitable for another purpose. Our report must not be copied, disclosed, quoted, or referred to, in correspondence or discussion, in whole or in part to anyone other than the purpose for which it has been issued without our prior written consent.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Vimal Chauhan
Partner
Membership No. 511230
ICAI UDIN: 23511230BGZTTM1521

Place: Gurugram, India
Date: 04th July 2023

HCL Technologies, S.A.
Balance Sheet as at 31 March 2023
(All amounts in thousands except share data and as stated otherwise)

	Note No.	As at 31 March 2023 ('Refer note 1 (a)) (VES)	As at 31 March 2022 ('Refer note 1 (a)) (VES)
I. ASSETS			
(1) Non-current assets			
(a) Deferred tax assets (net)	**2.15**	607	-
(2) Current assets			
(a) Financial Assets			
(i) Trade receivables	**2.1**		
Billed		383	2,913
Unbillled		32	537
(ii) Cash and cash equivalents	**2.2**	461	175
(b) Other current assets	**2.3**	170	177
TOTAL ASSETS		**1,653**	**3,802**
II. EQUITY			
(a) Equity Share Capital	**2.4**	11	11
(b) Other Equity		(1,094)	975
TOTAL EQUITY		**(1,083)**	**986**
III. LIABILITIES			
(1) Non-current liabilities			
(a) Deferred tax liabilities (net)	**2.15**	-	119
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	**2.5**	1,101	734
(ii) Trade payables			
- Billed	**2.6**	1,247	1,295
- Unbilled and accruals	**2.6**	107	381
(iii) Others	**2.7**	53	-
(b) Other current liabilities	**2.8**	200	-
(c) Current Tax Liabilities (Net)		28	287
TOTAL LIABILITIES		**2,736**	**2,816**
TOTAL EQUITY AND LIABILITIES		**1,653**	**3,802**
Summary of significant accounting policies	**1**		

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

vimal chauhan
vimal chauhan (Jul 4, 2023 22:14 GMT+5.5)

Vimal Chauhan
Partner
Membership Number: 511230

Gurugram, India
Date: 04 July 2023

For and on behalf of the Board of Directors
of HCL Technologies, S.A.

Raghu Raman Lakshmanan
Raghu Raman Lakshmanan (Jul 4, 2023 11:42 CDT)

Raghu Raman Lakshmanan
Director

Texas, USA
Date: 04 July 2023

HCL Technologies, S.A.
Statement of Profit and Loss for the year ended 31 March 2023
(All amounts in thousands except share data and as stated otherwise)

		Note No.	Year ended 31 March 2023 ('Refer note 1 (a)) (VES)	Year ended 31 March 2022 ('Refer note 1 (a)) (VES)
I	**Revenue**			
	Revenue from operations	**2.9**	1,012	3,167
	Other Income	**2.10**	-	275
	Net monetary gain		824	-
	Total income		**1,836**	**3,442**
II	**Expenses**			
	Purchase of traded goods	**2.11**	-	1,248
	Finance costs	**2.12**	123	35
	Outsourcing costs		6	64
	Net monetary loss		-	115
	Other expenses	**2.13**	3,626	599
	Total expenses		**3,755**	**2,061**
III	**Profit / (Loss) before tax**		**(1,919)**	**1,381**
IV	**Tax expense**	**2.15**		
	Current tax		86	241
	Deferred tax (credit)/charge		(628)	231
	Total tax (credit)/expense		(542)	472
V	**Profit / (Loss) for the year**		**(1,377)**	**909**
VII	**Total Comprehensive Profit / (Loss) for the year**		**(1,377)**	**909**
	Earnings per equity share of VES 1 each			
	Basic	**2.14**	(13.92)	9.18
	Diluted	**2.14**	(13.92)	9.18
	Summary of significant accounting policies	**1**		

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Raghu Raman Lakshmanan
Director

Texas, USA
Date: 04 July 2023

HCL Technologies, S.A.
Statement of Changes in Equity for the year ended 31 March 2023
(All amounts in thousands except share data and as stated otherwise)

Amount in VES

	Share capital		Other equity
	Equity share	**Equity share capital**	**Retained earning**
Adjusted Balance as at 1 April 2021	98,902	11	11
Loss for the year	-	-	909
Total comprehensive income for the year	-	-	909
Inflation effect due to last year restatement	-	-	55
Balance as at 31 March 2022	**98,902**	**11**	**975**
Adjusted Balance as at 1 April 2022	98,902	11	975
Loss for the year	-	-	(1,377)
Total comprehensive income for the year	-	-	(1,377)
Inflation effect due to last year restatement	-	-	(692)
Balance as at 31 March 2023	**98,902**	11	(1,094)

Summary of significant accounting policies **1**

The accompanying notes are an integral part of the financial statements

As per our report of even date

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Raghu Raman Lakshmanan
Director

Texas, USA
Date: 04 July 2023

HCL Technologies, S.A.
Statement of cash flow for the year ended 31 March 2023
(All amounts in thousands except share data and as stated otherwise)

	Year ended 31 March 2023 ('Refer note 1 (a)) (VES)	Year ended 31 March 2022 ('Refer note 1 (a)) (VES)
A. Cash flows from operating activities		
Profit / (Loss) before tax	(1,919)	1,381
Adjustment for:		
Provision for doubtful debts	18	-
Inflation impact of previous year	(692)	-
	(2,593)	**1,381**
Net Change in		
Trade receivables	3,017	(2,519)
Other financial assets and other assets	8	(317)
Trade payables	(322)	642
Other financial liabilities and other liabilities	253	91
Cash generated from operations	**363**	**(722)**
Direct taxes paid (net of refunds)	(444)	(79)
Net cash flow from operating activities	**(81)**	**(801)**
B. Cash flows from financing activities		
Proceeds from short term borrowings	367	734
Net cash flow from financing activities	**367**	**734**
Net increase / (decrease) in cash and cash equivalents	286	(67)
Cash and cash equivalents at the beginning of the year	175	242
Cash and cash equivalents at the end of the year as per note 2.2	**461**	**175**
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

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Raghu Raman Lakshmanan
Director

Texas, USA
Date: 04 July 2023

ORGANIZATION AND NATURE OF OPERATIONS

HCL Technologies, S.A (herein after referred to as "Company") is a Business Transformation consultancy aiming to provide medium and large size organizations with Business Transformation solutions that encompasses all elements of Business Consulting, Solution Implementation, and ongoing Application Management. The Company was incorporated on 20 November 2014.

The financial statements for the year ended 31 March 2023 were approved and authorized for issue by the Board of Directors on 04 July 2023.

1. Summary of Significant Accounting Policies

a) Basis of preparation

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Schedule III (Division II) to the Companies Act, 2013, as applicable, to the financial statements.

The Company is not domiciled in India and hence was not incorporated under Companies Act, 2013 or under any previous Company law in India. These financial statements do not constitute a set of statutory financial statements in accordance with local laws of the Country in which the Company is incorporated.

These financial statements are prepared for the use of the Company and the ultimate holding Company, HCL Technologies Limited, to comply with the requirements of the Act.

The company has incurred a net loss of VES 1,377 in thousands for the year ended 31 March 2023 and the net worth is also negative. The company is in the process of making future business plans and bidding for new customers. To meet the working capital requirements, HCL Technologies Limited, the ultimate holding company, has confirmed its intention to provide financial and operational support for day-to-day business requirements of the company, for a period of not less than 12 months from the date of approval of the financial statements of the company. However, the company does not currently envisage immediate commencement of new business and is in the process of making future business plans. These events or conditions indicate that a material uncertainty related to event or conditions exist that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

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 except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy.

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle of 12 months.

The Statement of cash flows has been prepared under indirect method.

The figures for the current year and previous year have been restated for the changes in the general purchasing power of the functional currency in agreement with Ind AS 29 "Financial Reporting in Hyperinflationary Economies". As per Ind AS 29, inflation rates can be considered in respect of any stable currency, hence these financials are prepared considering the inflation effect with USD.

As per Ind AS 29 only non-monetary items of the current year are restated from the date of origin in accordance with the conversion factors calculated in the current year, however both monetary and non-monetary items of the previous year are restated in accordance with the accumulated inflation of the current year to make both years comparable. Items of statement of profit and loss for the current year are also restated in accordance with the mid-month rates calculated and previous year figures are restated in accordance with the accumulated inflation of the current year to make both years comparable. In the same way statement for cash flows is also prepared considering the restated figures of both the years.

The functional currency of the Company is Bolivar Digital (VES).

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

In view of pandemic relating to COVID-19, the company has considered and taken into account internal and external information and has performed sensitivity analysis based on current estimates in assessing the recoverability of receivables, unbilled receivables, other financial assets, 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) Fair value measurement

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

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

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

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

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

c) Cost approach – Replacement cost method.

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

d) 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. 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 / Volume based / Transaction based contracts

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 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.

Multiple performance obligation

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

Revenue recognition for delivered elements is limited to the amount that is not contingent on the future delivery of products or services, future performance obligations or subject to customer-specified return or refund privileges. Revenue from certain activities in transition services in outsourcing arrangements are not capable of being distinct or represent separate performance obligation. Revenues relating to such transition activities are classified as Contract liabilities and subsequently recognized over the period of the arrangement. Direct and incremental costs in relation to such transition activities which are expected to be recoverable under the contract and generate or enhance resources of the Company that will be used in satisfying the performance obligation in the future are considered as contract fulfillment costs classified as Deferred contract cost and recognized over the period of arrangement. Certain upfront non-recurring incremental contract acquisition costs and other upfront fee paid to customer are deferred and classified as Deferred contract cost and amortized to revenue or cost, usually on a straight-line basis, over the term of the contract unless revenues are earned and obligations are fulfilled in a different pattern. The undiscounted future cash flows from the arrangement are periodically estimated and compared with the unamortized costs. If the unamortized costs exceed the undiscounted cash flow, a loss is recognized.

In instances when revenue is derived from sales of third-party vendor services, material or licenses, revenue is recorded on a gross basis when the Company is a principal to the transaction and net of costs when the Company is acting as an agent between the customer and the vendor. Several factors are considered to determine whether the Company is a principal or an agent, most notably being group control the goods or service before it is transferred to customer, latitude in deciding the price being charged to customer. Revenue is recognized net of discounts and allowances, value-added and service taxes, and includes reimbursement of out-of-pocket expenses, with the corresponding out of-pocket expenses included in cost of revenues.

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

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

Revenue from sales-type leases is recognized when risk of loss has been transferred to the client and there are no unfulfilled obligations that affect the final acceptance of the arrangement by the client.

e) 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. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the 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.

f) Income Taxes

Income tax expense comprises current and deferred income tax.

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.

g) Financial Instruments

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

i. Financial assets

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

Cash and cash equivalent
Cash in the balance sheet comprise cash in banks, which is subject to an insignificant risk of changes in values.

Financial assets 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 net of directly attributable transaction costs.

Financial liabilities at amortized cost

The company's financial liabilities include trade 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.

h) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year 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. The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares). Dilutive potential equity shares are deemed converted as at the beginning of the year, unless issued later. Dilutive potential equity shares are determined independently for each year presented.

i) Provisions and contingent liabilities

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

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

j) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank, which are subject to an insignificant risk of changes in value.

k) Recently issued accounting pronouncements

On 31 March 2023, the Ministry of Corporate Affairs (MCA), notified Companies (Indian Accounting Standards) Amendment Rules, 2023 effective from 1 April 2023. Following is key amended provision which may have an impact on the financial statements of the company:

Disclosure of Accounting Policies (Amendments to Ind AS 1 - Presentation of Financial Statements)
The amendments intend to assist in deciding which accounting policies to disclose in the financial statements. The amendments to Ind AS 1 require entities to disclose their material accounting policies rather than their significant accounting policies. The amendments provide guidance on how to apply the concept of materiality to accounting policy disclosures. The company does not expect this amendment to have any significant impact in its financial statements.

Definition of Accounting Estimate (Amendments to Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors)
The amendments distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The company does not expect this amendment to have any significant impact in its financial statements.

Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (Amendments to Ind AS 12 - Income Taxes)
The amendments specify how to account for deferred tax on transactions such as leases. The amendments clarify that lease transactions give rise to equal and offsetting temporary differences and financial statements should reflect the future tax impacts of these transactions through recognizing deferred tax. The company is evaluating the impact, if any, in its financial statements.

HCL Technologies, S.A.
Notes to the financial statements for the year ended 31 March 2023
(All amounts in thousands except share data and as stated otherwise)

2.1 Trade Receivable

	As at	
	31 March 2023	**31 March 2022**
	(VES)	**(VES)**
Current		
Billed		
Unsecured considered good (refer note below)	401	2,913
Less: Provision for doubtful debts	(18)	-
	383	**2,913**
Unbilled receivables (refer note below)	32	537
	415	**3,450**

Note:-
Includes receivables from related parties amounting to VES 2 as at 31 March 2023, (31 March 2022, VES 318). (Refer note 2.19(d))

Trade receivables - current	**Not Due**	**Outstanding as at 31 March 2023**				
		Less than 6 months	**6 months – 2 years**	**2-3**	**More than 3 years**	**Total**
Undisputed – considered good	176	71	136	-	-	383
						383
Unbilled receivables						32
						415

Trade receivables - current	**Not Due**	**Outstanding as at 31 March 2022**				
		Less than 6 months	**6 months – 2 years**	**2-3**	**More than 3 years**	**Total**
Undisputed – considered good	1,058	1,798	57	-	-	2,913
						2,913
Unbilled receivables						537
						3,450

2.2 Cash and cash equivalent

	As at	
	31 March 2023	**31 March 2022**
	(VES)	**(VES)**
Balance with banks		
- in current accounts	461	175
	461	**175**

2.3 Other current assets

	As at	
	31 March 2023	**31 March 2022**
	(VES)	**(VES)**
Others		
Duties & Taxes Recoverable	-	177
Deferred cost	87	-
Other advances	83	-
	170	**177**

(All amounts in thousands except share data and as stated otherwise)

2.4 Share Capital

	As at	
	31 March 2023	31 March 2022
	(VES)	(VES)
Authorized		
280,000 common shares of VES 0.001/- each (31 March 2022: 280,000 common shares of VES 0.001/- each)	611	611
Issued, subscribed and fully paid up		
98,902 common shares of VES 0.001/- each (31 March 2022: 98,902 common shares of VES 0.001/- each)	11	11

Terms/ rights attached to equity shares
The Company has only one class of shares referred to as equity shares having a par value of VES 0.001 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.

Outstanding share as per the share certificate issued. Share issued/restructured during the year represents the difference between opening closing number of shares.

Details of shares held by holding/ultimate holding company and/or their subsidiaries/ associates:

Name of the shareholder	As at			
	31 March 2023		31 March 2022	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Common shares of 0.001 VES each, fully paid				
HCL Technologies UK Limited; the holding company	98,882	99.98%	98,882	99.98%

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

Name of the shareholder	As at			
	31 March 2023		31 March 2022	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Common shares of 0.001 VES each, fully paid				
HCL Technologies UK Limited; the holding company	98,882	99.98%	98,882	99.98%

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.

HCL Technologies, S.A.
Notes to the financial statements for the year ended 31 March 2023
(All amounts in thousands except share data and as stated otherwise)

2.5 Borrowings

	As at	
	31 March 2023	31 March 2022
	(VES)	(VES)
Short term borrowings		
Unsecured		
Loan from related parties (Refer note 2.19 (d))	1,101	734
	1,101	**734**

Note: The company has taken an unsecured loan from HCL America Inc for its working capital requirement with repayment of Principal on demand. The loan shall carry a mutually agreed simple interest of SOFR+100 bps.

2.6 Trade payables

	As at	
	31 March 2023	31 March 2022
	(VES)	(VES)
Billed		
Trade payables	129	251
Trade payables-related parties (Refer note 2.19 (d))	1,118	1,044
Unbilled and accruals	107	170
Unbilled and accruals-related parties (refer note 2.19(d))	-	211
	1,354	**1,677**

Particulars	Not Due	Outstanding as at 31 March 2023 from the due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Others	1,247	-	-	-	-	1,247
Unbilled and accruals						107
						1,354

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	-	1,295	-	-	-	1,295
Unbilled and accruals						381
						1,676

2.7 Other Financial liabilities

	As at	
	31 March 2023	31 March 2022
	(VES)	(VES)
Current		
Carried at amortized cost		
Interest Payable-related parties(Refer note 2.19(d))	53	-
	53	**-**

2.8 Other current liabilities

	As at	
	31 March 2023	31 March 2022
	(VES)	(VES)
Withholding and other taxes payable	16	-
Advance received from customers	184	-
	200	**-**

2.9 Revenue from operations

	Year ended 31 March 2023 (VES)	**Year ended 31 March 2022 (VES)**
Sale of services	1,012	1,755
Sale of hardware and software	-	1,412
	1,012	**3,167**

Disaggregate Revenue Information

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

	Year ended 31 March 2023 (VES)	**Year ended 31 March 2022 (VES)**
Fixed price	1,012	3,167
	1,012	**3,167**
Geography wise		
Others*	1,012	3,167
	1,012	**3,167**

*Note: Others include revenue from Venezuela

Remaining performance obligations

Remaining performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (change in currency rates, tax laws, etc.). As at 31 March 2023, the aggregate amount of transaction price allocated to remaining performance obligations as per the requirements of Ind AS 115 was VES 1,082 in thousands (31 March 2022: VES 592.70 in thousands). 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.

HCL Technologies, S.A.
Notes to the financial statements for the year ended 31 March 2023

2.10 Other income

	Year ended 31 March 2023 (VES)	Year ended 31 March 2022 (VES)
Exchange differences (net)	-	275
	-	**275**

2.11 Purchase of stock in trade

	Year ended 31 March 2023 (VES)	Year ended 31 March 2022 (VES)
Cost of goods sold	-	1,248
	-	**1,248**

2.12 Finance cost

	Year ended 31 March 2023 (VES)	Year ended 31 March 2022 (VES)
Interest		
-others	54	3
Bank charges	69	33
	123	**35**

2.13 Other expenses

	Year ended 31 March 2023 (VES)	Year ended 31 March 2022 (VES)
Legal and professional charges	934	566
Rates and taxes	-	12
Provision for doubtful debts/ bad debts written off	162	20
Exchange differences (net)	2,530	-
	3,626	**599**

2.14 Earnings per share (EPS)

	As At	
	31 March 2023 (VES)	31 March 2022 (VES)
(Loss)/Profit as per statement of profit and loss for computation of EPS	(1,377)	908
Weighted average number of equity shares outstanding in calculating basic and diluted EPS	98,902	98,902
Nominal value of equity shares	1,000	1,000
Earning per equity share		
Basic	(13.92)	9.18
Diluted	(13.92)	9.18

Note:-
The number of shares and dilutive equity shares are adjusted retrospectively for all periods presented for shares restructured during the year.

(All amounts in thousands except share data and as stated otherwise)

2.15 Income taxes

	Year ended	
	31 March 2023	31 March 2022
	(VES)	(VES)
Income tax charged to statement of profit and loss		
Current income tax charge	86	241
Deferred tax charge (credit)	(628)	231
	(542)	**472**

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 2023	31 March 2022
	(VES)	(VES)
Profit before income tax	(1,919)	1,381
Statutory tax rate	34%	34%
Expected tax expense	(650)	468
Adjustment due to Hyper inflation	2	(3)
Permanent difference	44	-
Creation/(reversal) of prior year provisions	2	7
Others	60	-
Total taxes	(542)	472
Effective income tax rate	**28%**	**34%**

Components of deferred tax assets and liabilities as on 31 March 2023 **(Amount in VES)**

	Opening balance	Inflation Impact due to last year restatement	Recognized in profit and loss	Closing balance
Deferred tax assets				
Provision for doubtful debts	2	-	7	9
Forex	-	-	351	351
Gaap adjustments	-	-	256	256
Deferred tax assets	2	-	614	616
Deferred tax liabilities				
Other Provisions	-	-	9	9
Adjustments for foreign exchange	23	-	(23)	-
Deferred tax liabilities	23	-	(14)	9
Net deferred tax Assets/(Liabilities)	(21)	-	628	607

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

	Opening balance	Inflation Impact due to last year restatement	Recognized in profit and loss	Closing balance
Deferred tax assets				
Provision for doubtful debts	11	(6)	6	11
Adjustments for foreign exchange	253	(146)	(107)	-
Deferred tax assets	264	(152)	(101)	11
Deferred tax liabilities				
Adjustments for foreign exchange	-	-	130	130
Deferred tax liabilities	-	-	130	130
Net deferred tax Assets/(Liabilities)	264	(152)	(231)	(119)

(All amounts in thousands except share data and as stated otherwise)

2.16 Financial Instruments

Financial Assets & Liabilities
The carrying value of financial instruments by categories as at 31 March, 2023 is as follows:-

	Amortized Cost	Total Carrying Value
	(VES)	(VES)
Financial Assets		
Trade receivables	415	415
Cash and cash equivalents	461	461
Total	**876**	**876**
Financial Liabilities		
Borrowings	1,101	1,101
Trade payables	1,354	1,354
Others	53	53
Total	**2,508**	**2,508**

Financial Assets & Liabilities
The carrying value of financial instruments by categories as at 31 March, 2022 is as follows:-

	Amortized Cost	Total Carrying Value
	(VES)	(VES)
Financial Assets		
Trade receivables	3,450	3,450
Cash and cash equivalents	175	175
Total	**3,625**	**3,625**
Financial Liabilities		
Borrowings	734	734
Trade payables	1,676	1,676
Total	**2,410**	**2,410**

(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.

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

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

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

Appreciation / depreciation of 1% in respective foreign currencies with respect to functional currency of the Company would result in decrease / increase in the Company’s profit before tax by approximately VES 2,660 for the year ended 31 March, 2023.

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, 2023 and 31 March, 2022 in major currencies is as below:

	Financial assets		Financial liabilities	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	(VES)	(VES)	(VES)	(VES)
USD/VES	151	1,764	2,174	1,596

(All amounts in thousands except share data and as stated otherwise)

2.16 Financial Instruments (continued)

(ii) Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's does not have any investments. Hence, the Company is not significantly exposed to interest rate risk.

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

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 financial liabilities based on contractual payments is as below:

	Year 1	Total
	(VES)	(VES)
As at 31 March 2023		
Borrowings	1,101	1,101
Trade payables	1,354	1,354
Others	53	53
Total	**2,508**	**2,508**

	Year 1	Total
	(VES)	(VES)
As at 31 March 2022		
Borrowings	734	734
Trade payables	1,676	1,676
Total	**2,410**	**2,410**

2.17 Financial Reporting in Hyperinflationary Economies

The financial statements of an entity whose functional currency is the currency of a hyperinflationary economy is required to prepare financial statement on basis of historical cost or current cost approach based on the measuring unit current at the end of the reporting period.

HCL Venezuela entity currency VES falls under hyperinflationary economy requiring reinstatement of financials based on general price Index for reinstatement of both monetary and non-monetary items. The government of Venezuela has abolished its currency Bolivar Sovereign (VEF) and introduced new currency Bolivar Soberano (VES) form mid of August 2018. On the date of introduction of new currency 'VES' the conversion rate was 100,000 VEF equals to 1 VES. The government of Venezuela however restricted the central bank of Venezuela to publish General price Index and freezed it to December 2015. Accordingly, the Company have used the exchange rate "Convenio Cambiario N° 33 (d)" published by Central Bank of Venezuela to work out the inflation rates to restate the financials from historical currency unit to current currency unit. Inflation rates for the period from April 2015 till March 2023 were taken to restate the figures.

In October 2021, the government of Venezuela removed six zeroes from its currency while adapting a newer version of the bolivar currency system under a project known as "Digital bolivar".

2.18 Segment Reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available and whose results are reviewed regularly by the chief operating decision maker (CODM), for allocation of resources and assessing performance. The Company's ultimate holding company, HCL Technologies Limited's chief operating decision maker (CODM) reviews its results for allocation of resources and assessing performance by business segment comprising IT and Business Services, Engineering and R&D Services, and Products & Platforms segment. The ultimate Holding Company monitors the risk and returns of the Company's businesses on an entity level and evaluates the performance of the Company as one business segment. 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 2.9

2.19 Related party transaction

a) Related parties where control exists

Ultimate Holding company
HCL Technologies limted

Holding company
HCL Technologies UK Limited

b) Related Party where transactions have taken place during the period

Fellow Subsidiary
HCL America Inc.

HCL Technologies, S.A.
Notes to the financial statements for the year ended 31 March 2023
(All amounts in thousands except share data and as stated otherwise)

c) Transactions with related parties

Particulars	Sale of services		Interest on Short Term Loan	
	Year ended	Year ended	Year ended	Year ended
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	(VES)	(VES)	(VES)	(VES)
Fellow Subsidiaries	-	-	54	-
Grand Total	**-**	**-**	**54**	**-**

Particulars	Proceeds from Loan taken	
	Year ended	Year ended
	31 March 2023	31 March 2022
	(VES)	(VES)
Fellow Subsidiaries	1,101	733
Grand Total	**1,101**	**733**

d) Outstanding balances with related parties

Particulars	Trade receivables (Billed)		Liability for Expenses	
	As at		As at	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	(VES)	(VES)	(VES)	(VES)
Fellow Subsidiaries	2	177	38	211
Grand Total	**2**	**177**	**38**	**211**

Particulars	Trade Payables (Billed)		Unbilled receivables	
	As at		As at	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	(VES)	(VES)	(VES)	(VES)
Ultimate Holding Companies	-	1,045	-	141
Holding Companies	2	-	-	-
Fellow Subsidiaries	1,266	-	-	-
Grand Total	**1,268**	**1,045**	**-**	**141**

Particulars	Interest payable		Short Term loan	
	As at		As at	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	(VES)	(VES)	(VES)	(VES)
Fellow Subsidiaries	53	-	1,101	734
Grand Total	**53**	**-**	**1,101**	**734**

HCL Technologies, S.A.
Notes to the financial statements for the year ended 31 March 2023
(All amounts in thousands except share data and as stated otherwise)

2.20 Ratio

Ratio	Numerator	Denominator	Units	Year ended 31 March 2023	Year ended 31 March 2022	% Variance
Current ratio	Current assets	Current liabilities	Times	0.38	1.41	**-73%**
Return on equity ratio	Profit for the year	Average total equity	%	2832%	182%	**1457%**
Trade receivables turnover ratio	Revenue from operations	Average trade receivables	Times	0.524	1.658	**-68%**
Trade payables turnover ratio	Net credit purchases (refer note below 1)	Average trade payables	Times	2.4	0.2	**1076%**
Net capital turnover ratio	Revenue from operations	Working capital (refer note below 2)	Times	(0.6)	2.9	**-121%**
Net profit ratio	Profit for the year	Revenue from operations	%	-136%	29%	**-574%**
Return on capital employed	Earning before interest and taxes	Capital employed (refer note 3 below)	%	114%	140%	**-19%**

Notes :

(1) Net credit purchase includes purchase of stock-in-trade , change in inventories of stock-in-trade, outsourcing costs and other expenses

(2) Working capital = current assets - current liabilities

(3) Capital employed = Total Equity - Deferred tax assets

(4) Average is calculated based on simple average of opening and closing balances.

Explanation where change in the ratio is more than 25%
Current ratio : Trade receivables and other current assets increased more in comparision of previous year, results in better ratio in current year.
Return on equity ratio : As a result of restructuring in previous years the average equity was lesser in earlier year so the ratio.
Trade payable turnover ratio : The credit cost has been decreased in comparision of last year, results in decrease in ratio.
Net capital turnover ratio : Higher working capital in current year is reason of decrease in ratio in current year.
Net profit ratio : Net profit has increased due to comparatively lower direct cost , resulting in better ratio for the current period.
Return on capital employed : Higher ratio's reason in current year is better shareholder's net worth.

HCL Technologies, S.A.
Notes to the financial statements for the year ended 31 March 2023
(All amounts in thousands except share data and as stated otherwise)

2.21 Subsequent events
The Company has evaluated all the subsequent events through 04 July 2023, 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

3. The Company has presented its financial statement in "VES in thousands" and accordingly, amounts less than VES 0.50 thousands are rounded off to zero. Previous year and current year figures are reclassified based on the inflation rates of Venezuela in comparison with the stable currency i.e USD.

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

vimal chauhan
vimal chauhan (Jul 4, 2023 22:14 GMT+5.5)

Vimal Chauhan
Partner
Membership Number: 511230

Gurugram, India
Date: 04 July 2023

For and on behalf of the Board of Directors
of HCL Technologies, S.A.

Raghu Raman Lakshmanan
Raghu Raman Lakshmanan (Jul 4, 2023 11:42 CDT)

Raghu Raman Lakshmanan
Director

Texas, USA
Date: 04 July 2023