
HCL Technologies (Thailand) Limited

Financial statements for the nine-month period ended
31 December 2022
and
Independent Auditor's Report



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Independent Auditor's Report

To the Shareholders of HCL Technologies (Thailand) Limited

Opinion

I have audited the financial statements of HCL Technologies (Thailand) Limited (the "Company"), which comprise the statement of financial position as at 31 December 2022, the statements of income and changes in equity for the nine-month period then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2022 and its financial performance for the nine-month period then ended in accordance with the Thai Financial Reporting Standard for Non-Publicly Accountable Entities (TFRS for NPAEs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Company in accordance with the *Code of Ethics for Professional Accountants including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that is relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

I draw attention to Note 2, which describes that the Company changed the end of its accounting period from 31 March to 31 December. Consequently, the statements of income and changes in equity for the period from 1 April 2022 to 31 December 2022 comprise only nine months whereas the comparative information presented for the year ended 31 March 2022 covers twelve months, which results in the periods presented not being comparable. My opinion is not modified in respect of this matter.



Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with TFRS for NPAEs, and for such internal control as 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 unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs 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 TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.



I communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

A handwritten signature in blue ink, reading 'Sasithorn P.' with a stylized flourish at the end.

(Sasithorn Pongadisak)
Certified Public Accountant
Registration No. 8802

KPMG Phoomchai Audit Ltd.
Bangkok
28 March 2023

HCL Technologies (Thailand) Limited

Statement of financial position

		31 December	31 March
Assets	Note	2022	2022
		(in Baht)	
<i>Current assets</i>			
Cash and cash equivalents		62,394,610	3,399,399
Trade and other receivables	5	180,496,711	99,698,234
Current portion of finance lease receivables	6	6,984,635	8,352,051
Other current assets		8,272,939	9,078,724
Total current assets		258,148,895	120,528,408
<i>Non-current assets</i>			
Finance lease receivables	6	10,130,307	14,144,688
Equipment	7	9,086,744	6,085,021
Other non-current assets		2,686,628	6,570,093
Total non-current assets		21,903,679	26,799,802
Total assets		280,052,574	147,328,210

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

HCL Technologies (Thailand) Limited

Statement of financial position

		31 December	31 March
	Note	2022	2022
Liabilities and equity			
		<i>(in Baht)</i>	
<i>Current liabilities</i>			
Trade and other payables	8	79,571,478	58,089,090
Short-term loan	9	90,780,934	3,379,221
Income tax payable		434,180	6,451,528
Other current liabilities		18,669,325	9,913,199
Total current liabilities		189,455,917	77,833,038
<i>Non-current liabilities</i>			
Other non-current liabilities		2,792,982	1,023,929
Total non current liabilities		2,792,982	1,023,929
Total liabilities		192,248,899	78,856,967
<i>Equity</i>			
Share capital			
Authorised share capital			
<i>(196,300 ordinary shares, par value at Baht 100 per share)</i>		19,630,000	19,630,000
Issued and paid-up share capital			
<i>(196,300 ordinary shares, par value at Baht 100 per share)</i>		19,630,000	19,630,000
Retained earnings		68,173,675	48,841,243
Total equity		87,803,675	68,471,243
Total liabilities and equity		280,052,574	147,328,210

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

HCL Technologies (Thailand) Limited

Statement of income

	For the nine-month period ended 31 December 2022	For the year ended 31 March 2022
	<i>(in Baht)</i>	
Revenue		
Revenue from rendering of services	303,995,495	241,328,532
Other income	263,903	104,316
Total revenue	304,259,398	241,432,848
Expenses		
Cost of rendering of services	261,205,320	192,241,586
Administrative expenses	13,681,939	16,823,262
Net foreign exchange loss	995,823	5,459,759
Total expenses	275,883,082	214,524,607
Profit before income tax expense	28,376,316	26,908,241
Income tax expense	(9,043,884)	(7,103,565)
Profit for the period/year	19,332,432	19,804,676

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

HCL Technologies (Thailand) Limited

Statement of changes in equity

	Issued and paid-up share capital	Retained earnings (in Baht)	Total equity
<i>Year ended 31 March 2022</i>			
Balance at 1 April 2021	19,630,000	29,036,567	48,666,567
Profit for the year	-	19,804,676	19,804,676
Balance at 31 March 2022	<u>19,630,000</u>	<u>48,841,243</u>	<u>68,471,243</u>
<i>Nine-month period ended 31 December 2022</i>			
Balance at 1 April 2022	19,630,000	48,841,243	68,471,243
Profit for the period	-	19,332,432	19,332,432
Balance at 31 December 2022	<u>19,630,000</u>	<u>68,173,675</u>	<u>87,803,675</u>

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

HCL Technologies (Thailand) Limited
Notes to the financial statements
For the nine-month period ended 31 December 2022

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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the director on 28 March 2023.

1 General information

HCL Technologies (Thailand) Limited, the “Company”, is incorporated in Thailand and has its registered office at 89 AIA Capital Center, 20th Floor, Room No. 2005-2007, Ratchadapisek Road, Dindaeng Subdistrict, Dindaeng District, Bangkok. The principal activities of the Company are engaged in providing information technology and software related consultancy and services.

2 Change in accounting period

On 27 October 2022, the Extraordinary General Meeting of the Shareholders approved for change the end of its accounting period from 31 March to 31 December. Consequently, the statements of income and changes in equity for the period from 1 April 2022 to 31 December 2022 comprise only nine months whereas the comparative information presented for the year ended 31 March 2022 covers twelve months, which result in the periods presented not being comparable. The change in accounting period was approved by the Department of Business Development, Ministry of Commerce on 4 November 2022 and by the Revenue Department on 12 January 2023.

3 Basis of preparation of the financial statements

The financial statements are prepared in accordance with Thai Financial Reporting Standard for Non-publicly Accountable Entities (TFRS for NPAEs) and guidelines promulgated by the Federation of Accounting Professions (“TFAC”).

The financial statements are prepared and presented in Thai Baht, rounded in the notes to the financial statements to the nearest thousand unless otherwise stated. They are prepared on the historical cost basis except as stated in the accounting policies.

The preparation of financial statements in conformity with TFRS for NPAEs requires management to make judgements, estimates and assumptions that affect the application of the Company’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Foreign currency transactions

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Thai Baht at the exchange rates at that date. Gains or losses arising on translation are recognised in the statement of income.

HCL Technologies (Thailand) Limited
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Non-monetary assets and liabilities arising from foreign currency transactions that are measured at cost are translated to Thai Baht at the exchange rates at the dates of the transactions.

(b) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and highly liquid short-term investments.

(c) Trade and other receivables

Trade and other receivables are stated at the invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed and provided for the estimated losses, primarily on the analysis of payment histories. Bad debts are written off when incurred. Bad debts recovered are recognised in other income in the statement of income.

(d) Finance lease receivables

Finance lease receivables are measured at the amount of the Company's net investment in the lease, which comprises the present value of the lease payments and any unguaranteed residual value, discounted using the interest rate implicit in the lease. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

(e) Equipment

Owned assets

Equipment are measured at cost less accumulated depreciation and losses on decline in value.

Cost includes expenditure that is directly attributable to the acquisition of the asset which includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of equipment.

Any gains and losses on disposal of an item of equipment are determined by comparing the proceeds from disposal with the carrying amount of equipment, and are recognised in the statement of income.

Subsequent costs

The cost of replacing a part of an item of equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of equipment are recognised in the statement of income as incurred.

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Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is charged to the statement of income on a straight-line basis over the estimated useful lives of each component of an item of equipment. The estimated useful lives are as follows:

Office equipment	3-5 years
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(f) *Losses on decline in value*

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of a permanent decline in value. If any such indication exists, the assets' recoverable amounts are estimated. A loss on decline in value is recognised if the carrying amount of an asset exceeds its recoverable amount. The loss on decline in value is recognised in the statement of income.

(g) *Trade, other payables and loans*

Trade, other payables and loans are stated at cost.

(h) *Provisions*

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate method.

(i) *Revenue*

Revenue excludes value added taxes and is arrived at after deduction of trade discounts.

Rendering of services

The Company recognises revenue from rendering of services as the services are provided and accepted by customers and invoices issued.

(j) *Operating leases*

Payments made under operating leases are recognised on a straight-line basis over the term of the lease.

(k) *Income tax*

Income tax is calculated on the taxable income or loss for the period/year, using tax rates enacted at the reporting date.

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Notes to the financial statements
For the nine-month period ended 31 December 2022

5 Trade and other receivables

	31 December 2022	31 March 2022
	<i>(in thousand Baht)</i>	
Trade and other receivables	182,815	101,573
Less allowance for doubtful accounts	(2,318)	(1,875)
Net	180,497	99,698

6 Finance lease receivables

The Company leases equipment under several lease agreements, which are classified as finance leases and have lease terms of 5 years.

	31 December 2022			31 March 2022		
	Minimum lease payments	Interest	Present value of minimum lease payments <i>(in thousand Baht)</i>	Minimum lease payments	Interest	Present value of minimum lease payments
<i>Maturity period</i>						
Within 1 year	7,274	(289)	6,985	8,799	(447)	8,352
After 1 year but within 5 years	10,430	(300)	10,130	14,650	(505)	14,145
Total	17,704	(589)	17,115	23,449	(952)	22,497

7 Equipment

	Office equipment <i>(in thousand Baht)</i>
Cost	
At 1 April 2021	25,264
Additions	2,993
Disposals	(16,709)
At 31 March 2022 and 1 April 2022	11,548
Additions	5,970
Disposals	(676)
At 31 December 2022	16,842
Depreciation	
At 1 April 2021	10,790
Additions	577
Disposals	(5,904)
At 31 March 2022 and 1 April 2022	5,463
Disposals	2,292
At 31 December 2022	7,755
Net book value	
At 31 March 2022	6,085
At 31 December 2022	9,087

HCL Technologies (Thailand) Limited
Notes to the financial statements
For the nine-month period ended 31 December 2022

8 Trade and other payables

	31 December 2022	31 March 2022
	<i>(in thousand Baht)</i>	
Trade accounts payable	55,554	33,582
Other payables	16,514	6,427
Accrued expenses	7,279	17,519
Advance from customers	224	561
Total	79,571	58,089

9 Loan

At 31 December 2022, the Company has a short-term loan from a related party amounting to Baht 90.78 million (*31 March 2022: Baht 3.38 million*) at interest rate of ESTR plus 0.5% per annum (*31 March 2022: LIBOR plus 1% per annum*), which will become due within 12 months from the effective date of the agreement.

10 Promotional privileges

Under promotion certificate No. 58-2224-1-00-0-0 dated 21 September 2015, the Company has been granted certain rights and privileges under the Investment Promotion Act B.E. 2520 for trade and investment support, and is obliged to comply with certain conditions as stipulated in the promotion certificate.

11 Commitments

Non-cancellable operating lease commitments

	31 December 2022	31 March 2022
	<i>(in thousand Baht)</i>	
Within 1 year	18	165
Total	18	165