



HCL Vietnam Company Limited

Financial Statements for the year ended
31 March 2023



HCL Vietnam Company Limited

Corporate Information

Investment Registration

Certificate No. 6588772554 3 March 2020

The Company's Investment Registration Certificate has been amended several times, the most recent of which is by Investment Registration Certificate No. 6588772554 dated 22 February 2022. The Investment Registration Certificate and its amendments were issued by Hanoi Department of Planning and Investment and are valid for 50 years from the date of the initial Investment Registration Certificate.

Enterprise Registration

Certificate No. 0109129844 16 March 2020

The Company's Enterprise Registration Certificate has been amended several times, the most recent of which is by Enterprise Registration Certificate No. 0109129844 dated 10 March 2022. The Enterprise Registration Certificate and its amendments were issued by Hanoi Department of Planning and Investment.

Members' Council

Mr. Raghu Raman Lakshmanan	Chairman
Mr. Sundaram Sridharan	Member
Mr. Bui Tien Long	Member
Mr. Shiv Kumar Walia	Member

Legal Representative

Mr. Sundaram Sridharan	Director
Mr. Bui Tien Long	Director

Registered Office

Level 17, Leadvisors Tower, No. 643 Pham Van Dong Street
Co Nhue Ward, North Tu Liem District
Ha Noi City, Vietnam

Auditor

KPMG Limited
Vietnam

HCL Vietnam Company Limited

Statement by the management

The management of HCL Vietnam Company Limited (“the Company”) presents this statement and the accompanying financial statements of the Company for the year ended 31 March 2023.

The Company’s management is responsible for the preparation and fair presentation of the financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting. In the opinion of the Company’s management:

- (a) the financial statements set out on pages 5 to 31 give a true and fair view of the financial position of the Company as at 31 March 2023, and of its results of operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting; and
- (b) at the date of this statement, there are no reasons for the Company’s management to believe that the Company will not be able to pay its debts as and when they fall due. The Company’s management has disclosed in the financial statements the conditions relevant to its assessment of the going concern assumption.

The Company’s management has, on the date of this statement, authorised the accompanying financial statements for issue.

On behalf of the Company’s management





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South Tu Liem District, Hanoi, Vietnam
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INDEPENDENT AUDITOR'S REPORT

To the Investor

HCL Vietnam Company Limited

We have audited the accompanying financial statements of HCL Vietnam Company Limited ("the Company"), which comprise the balance sheet as at 31 March 2023, the statements of income and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Company's management on 29 June 2023, as set out on pages 5 to 31.

Management's Responsibility

The Company's management is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting, and for such internal control as the Company's management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Company's management, as well as evaluating the overall presentation of the financial statements.

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



Auditor's Opinion

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of HCL Vietnam Company Limited as at 31 March 2023 and of its results of operations and its cash flows for the year then ended, in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.

KPMG Limited

Vietnam

Audit Report No. 23-02-00136-23-1



Wang Toon Kim
Practicing Auditor Registration
Certificate No. 0557-2023-007-1
Deputy General Director

Hanoi, **29 JUN 2023**

Truong Tuyet Mai
Practicing Auditor Registration
Certificate No. 2594-2019-007-1

HCL Vietnam Company Limited
Balance sheet as at 31 March 2023

Form B 01 – DN
*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	31/3/2023 VND	1/4/2022 VND
ASSETS				
Current assets (100 = 110 + 130 + 150)	100		156,194,081,833	71,921,996,132
Cash and cash equivalents	110	4	29,927,800,048	11,133,356,311
Cash	111		29,927,800,048	11,133,356,311
Accounts receivable – short-term	130		96,338,872,732	37,861,048,726
Accounts receivable from customers	131	5	94,398,210,424	36,540,237,392
Prepayment to suppliers	132		163,864,898	332,653,478
Other receivables	136	6	1,806,507,627	3,025,021,629
Allowance for doubtful debt	137		(29,710,217)	(2,036,863,773)
Other current assets	150		29,927,409,053	22,927,591,095
Short-term prepaid expenses	151	10(a)	8,749,537,234	8,464,885,589
Deductible value added tax	152		21,177,871,819	14,462,705,506
Long-term assets (200 = 210 + 220 + 240 + 260)	200		105,780,187,805	123,218,164,634
Accounts receivable – long-term	210		3,944,977,097	4,587,972,840
Other long-term receivables	216	6	3,944,977,097	4,587,972,840
Fixed assets	220		75,267,385,391	68,343,992,202
Tangible fixed assets	221	7	74,780,738,957	68,343,992,202
Cost	222		97,011,761,053	76,018,427,635
Accumulated depreciation	223		(22,231,022,096)	(7,674,435,433)
Intangible fixed assets	227	8	486,646,434	-
Cost	228		635,134,500	-
Accumulated depreciation	229		(148,488,066)	-
Long-term work in progress	240		202,541,100	19,481,921,948
Construction in progress	242	9	202,541,100	19,481,921,948
Other long-term assets	260		26,365,284,217	30,804,277,644
Long-term prepaid expenses	261	10(b)	26,365,284,217	30,804,277,644
TOTAL ASSETS (270 = 100 + 200)	270		261,974,269,638	195,140,160,766

The accompanying notes are an integral part of these financial statements

HCL Vietnam Company Limited
Balance sheet as at 31 March 2023 (continued)

Form B 01 – DN
*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	31/3/2023 VND	1/4/2022 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		354,067,481,429	208,985,629,609
Current liabilities	310		354,067,481,429	208,540,894,169
Accounts payable to suppliers	311	11	15,411,763,130	44,654,520,060
Advances from customers	312	12	8,453,586,292	9,433,592,135
Taxes payable to State Treasury	313	13	333,479,221	374,937,910
Payables to employees	314		14,163,242,066	10,847,203,438
Accrued expenses	315	14	20,519,266,969	5,857,481,320
Unearned revenue	318		4,083,743,751	351,159,306
Short-term borrowings	320	15	291,102,400,000	137,022,000,000
Long-term liabilities	330		-	444,735,440
Long-term accrual expenses	333		-	444,735,440
EQUITY (400 = 410)	400		(92,093,211,791)	(13,845,468,843)
Owner's equity	410	16	(92,093,211,791)	(13,845,468,843)
Contributed capital	411	17	160,851,200,000	82,919,200,000
Accumulated losses	421		(252,944,411,791)	(96,764,668,843)
- Accumulated (loss)/profit brought forward	421a		(96,764,668,843)	1,745,488,407
- Loss for the current year	421b		(156,179,742,948)	(98,510,157,250)
TOTAL RESOURCES (440 = 300 + 400)	440		261,974,269,638	195,140,160,766

28 June 2023

Prepared by:

Approved by:



Nguyen Thi Thao
Accountant



The accompanying notes are an integral part of these financial statements

HCL Vietnam Company Limited
Statement of income for the year ended 31 March 2023

Form B 02 – DN
*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	Year ended 31/3/2023 VND	Year ended 31/3/2022 VND
Revenue from sales of services	01	19	179,268,558,184	53,694,702,353
Cost of sales	11	20	244,543,189,473	95,190,928,169
Gross loss (20 = 01 - 11)	20		(65,274,631,289)	(41,496,225,816)
Financial income	21	21	4,284,592,655	1,074,243,425
Financial expenses	22	22	15,581,615,024	3,551,284,791
<i>In which: Interest expense</i>	23		8,839,460,730	887,344,713
Selling expenses	25	23	16,121,852,089	12,495,800,685
General and administration expenses	26	24	63,415,543,759	42,431,017,079
Net operating loss {30 = 20 + (21 - 22) - (25 + 26)}	30		(156,109,049,506)	(98,900,084,946)
Other expense	32		70,693,442	-
Results of other activities (40 = - 32)	40		(70,693,442)	-
Accounting loss before tax (50 = 30 + 40)	50		(156,179,742,948)	(98,900,084,946)
Income tax expense – current	51	26	-	(389,927,696)
Net loss after tax (60 = 50 - 51)	60		(156,179,742,948)	(98,510,157,250)

28 June 2023

Prepared by:



Nguyen Thi Thao
Accountant

Approved by:



Sundaram Satharan
Director

The accompanying notes are an integral part of these financial statements

HCL Vietnam Company Limited
Statement of cash flows for the year ended 31 March 2023
(Indirect method)

Form B 03 – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	Year ended 31/3/2023 VND	Year ended 31/3/2022 VND
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before tax	01		(156,179,742,948)	(98,900,084,946)
Adjustments for				
Depreciation and amortisation	02		15,525,765,980	6,320,697,963
Allowances and provisions	03		(2,007,153,556)	2,036,863,773
Exchange loss/(gain) arising from revaluation of monetary items denominated in foreign currencies	04		2,016,320,727	(81,111,154)
Loss from investing activities	05		46,564,191	-
Interest expense	06		8,839,460,730	887,344,713
Operating loss before changes in working capital	08		(131,758,784,876)	(89,736,289,651)
Change in receivables	09		(62,822,017,113)	(20,348,562,509)
Change in payables and other current liabilities	11		(13,112,394,132)	28,907,220,564
Change in prepaid expenses	12		6,530,853,761	(32,837,396,430)
			(201,162,342,360)	(114,015,028,026)
Income tax paid	15		-	(1,785,842,713)
Net cash flows from operating activities	20		(201,162,342,360)	(115,800,870,739)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets and other long-term assets	21		(10,192,913,903)	(67,271,390,204)
Net cash flows from investing activities	30		(10,192,913,903)	(67,271,390,204)

The accompanying notes are an integral part of these financial statements

HCL Vietnam Company Limited
Statement of cash flows for the year ended 31 March 2023
(Indirect method - continued)

Form B 03 – DN
*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	Year ended 31/3/2023 VND	Year ended 31/3/2022 VND
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from capital contributions by owner	31		77,932,000,000	80,602,500,000
Proceeds from borrowings	33		152,217,700,000	104,837,800,000
Net cash flows from financing activities	40		230,149,700,000	185,440,300,000
Net cash flows during the year (50 = 20 + 30 + 40)	50		18,794,443,737	2,368,039,057
Cash and cash equivalents at the beginning the year	60		11,133,356,311	8,765,317,254
Cash and cash equivalents at the end of the year (70 = 50 + 60)	70	4	29,927,800,048	11,133,356,311

28 June 2023

Prepared by:



Nguyen Thi Thao
Accountant

Approved by:



Sundaram Sridharan
Director

The accompanying notes are an integral part of these financial statements

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. Reporting entity

(a) Ownership structure

HCL Vietnam Company Limited (“the Company”) is incorporated as a limited liability company in Vietnam.

(b) Principal activities

The principal activities of the Company comprise:

- consultancy services related to the installation of computer hardware (CPC 8410);
- computer and software consultant service (CPC 842);
- data processing service (excluding data processing in the telecommunications sector);
- database service (CPC 844); and
- other computer services (CPC 849).

(c) Normal operating cycle

The normal operating cycle of the Company is generally within 12 months.

(d) Company structure

As at 31 March 2023, the Company had 681 employees (1/4/2022: 483 employees).

2. Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.

(b) Basis of measurement

The financial statements, except for the statement of cash flows, are prepared on the accrual basis using the historical cost concept. The statement of cash flows is prepared using the indirect method.

HCL Vietnam Company Limited
Notes to the financial statements for the year ended 31 March 2023 (continued)

Form B 09 – DN

*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

(c) Going concern assumption

The financial statements have been prepared on a going concern basis. The Company has incurred a net loss after tax and negative cash flows from operating activities of VND156 billion and VND201 billion respectively during the year (year ended 31/3/2022: net loss after tax of VND99 billion and negative cash flows from operating activities of VND116 billion). At the end of the annual accounting period, current liabilities exceeded current assets by VND198 billion (1/4/2022: VND137 billion) and total liabilities exceeded total assets by VND92 billion (1/4/2022: VND14 billion). Furthermore, the Company has significant loans that will require refinancing within the next 12 months (Note 15). The validity of the going concern assumption fundamentally depends on the ultimate parent company continuing to provide such financial assistance as is necessary to enable the Company to meet its liabilities as and when they fall due and to maintain the Company in existence as a going concern for the foreseeable future.

At the time of this report, there is no reason for the Company's management to believe that the ultimate parent company will not continue its support.

(d) Annual accounting period

The annual accounting period of the Company is from 1 April to 31 March.

(e) Accounting and presentation currency

The Company's accounting currency is Vietnam Dong ("VND"), which is also the currency used for financial statement presentation purpose.

3. Summary of significant accounting policies

The following significant accounting policies have been adopted by the Company in the preparation of these financial statements.

(a) Foreign currency transactions

Transactions in currencies other than VND during the year have been translated into VND at rates approximating actual rates of exchange ruling at the transaction dates.

Monetary assets and liabilities denominated in currencies other than VND are translated into VND at the account transfer selling rate and account transfer buying rate, respectively, at the end of the annual accounting period quoted by the commercial bank where the Company most frequently conducts transactions.

All foreign exchange differences are recorded in the statement of income.

(b) Cash

Cash comprises cash balances and call deposits.

(c) Accounts receivable

Trade and other receivables are stated at cost less allowance for doubtful debts.

(d) Tangible fixed assets

(i) Cost

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition for its intended use. Expenditure incurred after tangible fixed assets have been put into operation, such as repair, maintenance and overhaul cost, is charged to the statement of income in the year in which the cost is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditure is capitalised as an additional cost of tangible fixed assets.

(ii) Depreciation

Depreciation is computed on a straight-line basis over the estimated useful lives of tangible fixed assets. The estimated useful lives are as follows:

▪ leasehold improvement	5 - 7 years
▪ machinery and equipment	10 years
▪ information technology ("IT") equipment	5 years
▪ office equipment	5 - 7 years

(e) Intangible fixed assets

Software

Cost of acquiring new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible asset. Software cost is amortised on a straight-line basis over 3 years.

(f) Construction in progress

Construction in progress represents the costs of office equipment which have not been fully installed. No depreciation is provided for construction in progress during the period of installation.

(g) Long-term prepaid expenses

Tools and instruments

Tools and instruments include assets held for use by the Company in the normal course of business whose costs of individual items are less than VND30 million and therefore not qualified for recognition as fixed assets under prevailing regulations. Cost of tools and instruments are amortised on a straight-line basis over 4 years.

(h) Trade and other payables

Trade and other payables are stated at their cost.

(i) Contributed capital

Contributed capital is recognised on the contribution date at the actual amount contributed less any directly attributable transaction costs.

(j) Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the statement of income except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the end of the annual accounting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities using the tax rates enacted or substantively enacted at the end of the annual accounting period.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(k) Revenue

Services rendered

Revenue from services rendered is recognised in the statement of income in proportion to the stage of completion of the transaction at the balance sheet date. The stage of completion is assessed by reference to surveys of work performed. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

(l) Leases***Lease payments***

Payments made under operating leases are recognised in the statement of income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the statement of income as an integral part of the total lease expense, over the term of the lease.

(m) Borrowing costs

Borrowing costs are recognised as an expense in the year in which they are incurred.

(n) Related parties

Parties are considered to be related to the Company if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, or where the Company and the other party are subject to common control or significant influence. Related parties may be individuals or corporate entities and include close family members of any individual considered to be a related party.

Related companies refer to the investor, its ultimate parent company and their subsidiaries and associates.

(o) Comparative information

Comparative information in these financial statements is presented as corresponding figures. Under this method, comparative information for the prior year is included as an integral part of the current year's financial statements and is intended to be read only in relation to the amounts and other disclosures relating to the current year. Accordingly, the comparative information included in these financial statements is not intended to present the Company's financial position, results of operation or cash flows for the prior year.

4. Cash and cash equivalents

	31/3/2023 VND	1/4/2022 VND
Cash at banks	29,927,800,048	11,133,356,311

5. Accounts receivable from customers**Accounts receivable from customers detailed by significant customers and related parties**

	31/3/2023 VND	1/4/2022 VND
The ultimate parent company		
HCL Technologies Limited	106,949,468	4,178,520,765
Related companies		
HCL Technologies Corporate Services Limited	22,342,094,410	4,339,823,810
HCL Japan Limited	15,146,508,558	5,414,866,478
HCL Australia Services Pty. Limited	14,080,585,982	142,443,712
HCL America Solutions Inc.	12,011,354,544	-
HCL Singapore Pte. Limited	7,824,362,793	4,869,534,654
HCL Technologies Sweden AB	1,979,982,339	-
HCL (Ireland) Information Systems Limited	1,598,058,777	-
HCL Hong Kong SAR Limited	1,545,004,857	2,188,334,282
HCL Technologies B.V.	1,479,075,235	-
HCL Technologies Belgium BVBA	1,101,273,719	-
HCL Axon Solutions (Shanghai) Co. Ltd.	1,051,748,500	-
HCL America Inc.	405,059,365	1,122,271,237
HCL Technologies Ltd.- Swiss Branch	-	1,196,566,490
Others	5,448,130,872	1,733,929,373
Other parties		
Bosch Global Software Technologies Limited Company	6,998,620,929	1,194,401,120
Vinfast Trading and Production Joint Stock Company	902,300,000	-
Chevron Lubricants Vietnam Ltd.	377,100,076	76,812,312
Sherwin-Williams (Vietnam) Ltd.	-	7,659,901,268
IBM Vietnam Company Limited	-	2,393,369,336
Others	-	29,462,555
	94,398,210,424	36,540,237,392

The trade related amounts due from the related companies were unsecured, interest free and are due in 60 to 90 days from invoice date.

6. Other short-term and long-term receivables

	31/3/2023	1/4/2022
	VND	VND
Other short-term receivables		
Deposits for office rental contracts	1,300,000,000	2,838,831,199
Others	506,507,627	186,190,430
	<hr/>	<hr/>
	1,806,507,627	3,025,021,629
	<hr/>	<hr/>
Other long-term receivables		
Deposits for office rental contracts	3,944,977,097	4,587,972,840
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HCL Vietnam Company Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

Form B 09 – DN

(Issued under Circular No. 200/2014/TT-BTC

dated 22 December 2014 of the Ministry of Finance)

7. Tangible fixed assets

Cost	Leasehold improvement VND	Machinery and equipment VND	IT equipment VND	Office equipment VND	Total VND
Opening balance	33,256,508,145	11,453,942,108	30,920,142,066	387,835,316	76,018,427,635
Transfer from construction in progress	17,092,785,986	550,465,660	6,116,346,468	362,180,334	24,121,778,448
Disposals	-	-	(3,128,445,030)	-	(3,128,445,030)
Closing balance	50,349,294,131	12,004,407,768	33,908,043,504	750,015,650	97,011,761,053
Accumulated depreciation					
Opening balance	938,987,459	229,424,430	6,490,810,387	15,213,157	7,674,435,433
Charge for the year	8,157,826,806	1,198,329,410	5,902,031,188	119,090,510	15,377,277,914
Disposals	-	-	(820,691,251)	-	(820,691,251)
Closing balance	9,096,814,265	1,427,753,840	11,572,150,324	134,303,667	22,231,022,096
Net book value					
Opening balance	32,317,520,686	11,224,517,678	24,429,331,679	372,622,159	68,343,992,202
Closing balance	41,252,479,866	10,576,653,928	22,335,893,180	615,711,983	74,780,738,957

8. Intangible fixed assets

	Software VND
Cost	
Opening balance	-
Transfer from construction in progress	635,134,500
	<hr/>
Closing balance	635,134,500
	<hr/>
Accumulated depreciation	
Opening balance	-
Charge for the year	148,488,066
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Closing balance	148,488,066
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Net book value	
Opening balance	-
Closing balance	486,646,434
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9. Construction in progress

	31/3/2023 VND	1/4/2022 VND
Opening balance	19,481,921,948	995,595,488
Additions during the year	7,873,629,392	19,241,952,484
Transfer to tangible fixed assets	(24,121,778,448)	(755,626,024)
Transfer to intangible fixed assets	(635,134,500)	-
Transfer to long-term prepaid expenses	(2,396,097,292)	-
Closing balance	202,541,100	19,481,921,948

Construction in progress represented the cost of office equipment which has not been installed.

10. Prepaid expenses**(a) Short-term prepaid expenses**

	31/3/2023 VND	1/4/2022 VND
Rental fee	5,147,678,040	5,196,409,974
Service charges	227,910,391	1,390,294,800
Annual maintenance costs and license fees	2,149,205,349	756,123,947
Others	1,224,743,454	1,122,056,868
	8,749,537,234	8,464,885,589

(b) Long-term prepaid expenses

	Tools and supplies VND
Opening balance	30,804,277,644
Additions	1,266,294,654
Transfer from construction in progress	2,396,097,292
Amortisation	(8,081,800,060)
Disposals	(19,585,313)
Closing balance	26,365,284,217

HCL Vietnam Company Limited
Notes to the financial statements for the year ended 31 March 2023 (continued)

Form B 09 – DN
*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

11. Accounts payable to suppliers

Accounts payable to suppliers detailed by significant suppliers

	Cost and amount within payment capacity	
	31/3/2023	1/4/2022
	VND	VND
Related parties		
HCL Technologies Limited	5,230,923,182	2,486,854,824
HCL Singapore Pte. Limited	202,175,488	193,216,896
HCL Canada Inc.-SD	184,139,082	193,721,028
HCL Technologies Vietnam Company Limited	95,784,606	2,082,287,139
HCL Technologies (Shanghai) Limited	14,583,537	15,383,217
Other parties		
FPT Information System Co., Ltd.	4,741,023,500	120,983,500
Lac Viet Computing Corporation	3,016,365,440	-
Modernform Company Limited	-	15,328,109,929
Mossad Vietnam Company Limited	-	5,756,712,500
VFM Systems Hong Kong Co., Ltd.	-	1,643,909,243
Other suppliers	1,926,768,295	16,833,341,784
	15,411,763,130	44,654,520,060

12. Advances from customers

	31/3/2023	1/4/2022
	VND	VND
Related companies		
HCL Technologies UK Limited	2,898,698,024	3,425,550,000
HCL Technologies Malaysia Sdn. Bhd.	1,989,643,636	2,323,710,881
HCL Technologies Germany GmbH	1,946,403,646	1,605,294,793
HCL Technologies Vietnam Company Limited	1,126,110,265	1,133,169,425
HCL Technologies Middle East FZ-LLC	492,730,721	-
HCL Singapore Pte. Limited	-	945,867,036
	8,453,586,292	9,433,592,135

HCL Vietnam Company Limited**Notes to the financial statements for the year ended 31 March 2023 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC
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	1/4/2022 VND	Incurred VND	Paid/adjusted VND	31/3/2023 VND
Foreign contractor tax	374,937,910	-	(41,458,689)	333,479,221
Personal income tax	-	22,249,614,980	(22,249,614,980)	-
	374,937,910	22,249,614,980	(22,291,073,669)	333,479,221

14. Accrued expenses

	31/3/2023 VND	1/4/2022 VND
Marketing expenses	252,300,088	1,476,529,481
Computer consumables	343,712,935	554,812,194
Repair maintenance	1,913,953,628	491,648,766
Legal and professional costs	158,319,645	292,071,038
Loan interest	9,709,621,717	950,498,548
Accrued annual leave	7,087,093,184	-
Others	1,054,265,772	2,091,921,293
	20,519,266,969	5,857,481,320

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15. Short-term borrowings

	1/4/2022 Carrying amount and amount within repayment capacity VND	Movements during the year Addition VND	Foreign exchange differences VND	31/3/2023 Carrying amount and amount within repayment capacity VND
Short-term borrowings	137,022,000,000	152,217,700,000	1,862,700,000	291,102,400,000

Terms and conditions of short-term borrowings were as follows:

	Currency	Annual interest rate	31/3/2023 VND	1/4/2022 VND
HCL Technologies UK Limited – the investor	USD	LIBOR plus 1%	291,102,400,000	137,022,000,000

The short-term borrowing from the investor was unsecured.

16. Changes in owner's equity

	Contributed capital VND	Retained profits/ (accumulated losses) VND	Total VND
Balance at 1 April 2021	2,316,700,000	1,745,488,407	4,062,188,407
Capital contribution	80,602,500,000	-	80,602,500,000
Net loss for the year	-	(98,510,157,250)	(98,510,157,250)
Balance at 1 April 2022	82,919,200,000	(96,764,668,843)	(13,845,468,843)
Capital contribution	77,932,000,000	-	77,932,000,000
Net loss for the year	-	(156,179,742,948)	(156,179,742,948)
Balance at 31 March 2023	160,851,200,000	(252,944,411,791)	(92,093,211,791)

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17. Contributed capital

The Company's authorised and contributed charter capital are:

	31/3/2023			
	Authorised		Contributed	
	VND	USD equivalent	VND	USD equivalent
HCL Technologies UK Limited	156,072,500,000	7,000,000	160,851,200,000	7,000,000

	1/4/2022			
	Authorised		Contributed	
	VND	USD equivalent	VND	USD equivalent
HCL Technologies UK Limited	156,072,500,000	7,000,000	82,919,200,000	3,600,000

The investor, HCL Technologies UK Limited, and the ultimate parent company, HCL Technologies Limited, are incorporated in United Kingdom and India respectively.

Movements in contributed charter capital during the year were as follows:

	Year ended 31/3/2023 VND	Year ended 31/3/2022 VND
Balance at the beginning of the year	82,919,200,000	2,316,700,000
Cash contribution by HCL Technologies UK Limited	77,932,000,000	80,602,500,000
Balance at the end of the year	160,851,200,000	82,919,200,000

18. Off balance sheet items**(a) Lease commitments**

The future minimum lease payments under non-cancellable leases were:

	31/3/2023 VND	1/4/2022 VND
Within one year	24,201,891,360	15,858,926,800
From 2 to 5 years	44,350,404,120	44,341,135,488
	<u>68,552,295,480</u>	<u>60,200,062,288</u>

(b) Foreign currency

	31/3/2023		1/4/2022	
	Original currency	VND equivalent	Original currency	VND equivalent
USD	874,723	20,534,996,209	248,125	5,666,434,965

19. Revenue from sales of services

Total revenue represents the gross value of services rendered exclusive of value added tax.

20. Cost of sales

	Year ended 31/3/2023 VND	Year ended 31/3/2022 VND
Labour costs	184,725,559,999	59,437,929,105
Depreciation and amortisation	21,458,272,216	-
Material and services	6,413,494,078	7,108,408,502
Rental fee for offices	13,433,174,832	16,774,271,904
Outside services	18,279,252,321	11,500,199,705
Others	233,436,027	370,118,953
	<u>244,543,189,473</u>	<u>95,190,928,169</u>

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21. Financial income

	Year ended 31/3/2023 VND	Year ended 31/3/2022 VND
Realised exchanged gains	4,284,592,655	950,736,229
Unrealised exchanged gains	-	123,507,196
	<hr/> 4,284,592,655	<hr/> 1,074,243,425 <hr/>

22. Financial expense

	Year ended 31/3/2023 VND	Year ended 31/3/2022 VND
Interest expense	8,839,460,730	887,344,713
Realised exchanged loss	4,725,833,567	2,621,544,036
Unrealised exchanged loss	2,016,320,727	42,396,042
	<hr/> 15,581,615,024	<hr/> 3,551,284,791 <hr/>

23. Selling expenses

	Year ended 31/3/2023 VND	Year ended 31/3/2022 VND
Staff costs	12,664,199,334	8,935,019,569
Marketing expenses	2,362,893,359	3,133,582,331
Other expenses	1,094,759,396	427,198,785
	<hr/> 16,121,852,089	<hr/> 12,495,800,685 <hr/>

HCL Vietnam Company Limited
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24. General and administration expenses

	Year ended 31/3/2023 VND	Year ended 31/3/2022 VND
Staff costs	51,073,758,140	25,688,406,817
Depreciation and amortization	2,149,293,824	8,494,489,164
Rental fee for offices	1,345,487,624	-
Outside services	9,851,362,450	4,564,239,717
(Reversal of)/Allowance for doubtful debts	(2,007,153,556)	2,036,863,773
Other expenses	1,002,795,277	1,647,017,608
	<hr/> 63,415,543,759	<hr/> 42,431,017,079

25. Business costs by element

	Year ended 31/3/2023 VND	Year ended 31/3/2022 VND
Labour costs and staff costs	248,463,517,473	94,061,355,491
Depreciation	15,525,765,980	6,320,697,963
Amortization	8,081,800,060	2,173,791,201
Rental fee for offices	14,778,662,456	16,774,271,904
Outside services	36,907,002,208	26,306,430,255
Allowance for doubtful debts	(2,007,153,556)	2,036,863,773
Other expenses	2,330,990,700	2,444,335,346

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26. Income tax

(a) Recognised in the statement of income

	Year ended 31/3/2023 VND	Year ended 31/3/2022 VND
Current tax expense		
Over provision in prior period	-	(389,927,696)

(b) Reconciliation of effective tax rate

	Year ended 31/3/2023 VND	Year ended 31/3/2022 VND
Accounting loss before tax	(156,179,742,948)	(98,900,084,946)
Tax at the Company's tax rate	(31,235,948,590)	(19,780,016,989)
Non-deductible expenses	242,856,744	82,596,775
Unrecognised deferred tax	30,993,091,846	19,697,420,214
Over provision in prior period	-	(389,927,696)
	-	(389,927,696)

(c) Unrecognised deferred tax asset

Deferred tax asset has not been recognised in respect of the following item:

	31/3/2023		1/4/2022	
	Temporary difference VND	Tax value VND	Temporary difference VND	Tax value VND
Deductible temporary differences	28,820,261,395	5,764,052,279	17,457,458,090	3,491,491,618
Tax losses (*)	234,571,501,756	46,914,300,351	90,968,845,831	18,193,769,166
	263,391,763,151	52,678,352,630	108,426,303,921	21,685,260,784

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(*) Tax losses will expire in the following years:

Year of expiry	Status of tax review	Tax losses available VND
Year ending 31/3/2027	Outstanding	90,968,845,831
Year ending 31/3/2028	Outstanding	143,602,655,925
		<hr/>
		234,571,501,756
		<hr/>

Deductible temporary differences include interest expenses allowed to be carried forward for deduction against future taxable profit in accordance with regulation in Decree 132/2020/ND-CP dated 5 November 2020. These deductible temporary differences expire in the following years:

Year of expiry	Interest expenses deductible in future periods VND
Year ending 31/3/2027	887,344,713
Year ending 31/3/2028	8,839,460,730
	<hr/>
	9,726,805,443
	<hr/>

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilise the benefits therefrom.

(d) Applicable tax rates

According to the prevailing income tax regulations, the Company has an obligation to pay the Government income tax at the rate of 20%.

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27. Significant transactions with related parties

In addition to related party balances disclosed in other notes to the financial statements, the Company had the following significant transactions with its related parties during the year:

	Transaction value	
	Year ended 31/3/2023 VND	Year ended 31/3/2022 VND
<i>The investor</i>		
HCL Technologies UK Limited		
Capital contribution	77,932,000,000	80,602,500,000
Borrowings	152,217,700,000	104,837,800,000
Interest expense	8,836,368,644	887,344,713
Sales of services	1,503,101,045	659,434,400
<i>The ultimate parent company</i>		
HCL Technologies Limited		
Sales of services	389,300,120	4,832,315,988
Consulting charges	426,699,797	2,095,935,822
Payment on behalf	2,357,951,448	-
<i>Other related parties</i>		
HCL Singapore Pte. Limited		
Sales of services	21,251,693,596	10,700,973,335
Consulting charges	-	191,830,682
HCL Technologies Corporate Services Limited		
Sales of services	49,575,032,590	6,485,259,550
HCL America Inc.		
Sales of services	1,229,024,331	1,344,926,577
HCL Technologies Ltd. - Swiss Branch		
Sales of services	7,717,599,996	2,747,866,887
HCL Hong Kong SAR Limited		
Sales of services	4,842,084,432	2,312,797,808
HCL Japan Limited, Japan		
Sales of services	16,143,915,223	5,414,866,478
Hcl Technologies Czech Republic S.R.O.		
Sales of services	958,877,455	1,437,717,479
HCL Technologies France		
Sales of services	2,072,605,114	1,344,036,061

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	Transaction value	
	Year ended	Year ended
	31/3/2023	31/3/2022
	VND	VND
HCL Technologies Sweden AB		
Sales of services	2,366,820,288	-
HCL (Ireland) Information Systems Limited.		
Sales of services	2,275,506,007	-
HCL Hong Kong SAR Limited		
Sales of services	4,842,084,432	2,312,797,808
HCL Technologies B.V.		
Sales of services	1,479,075,235	-
HCL Technologies Belgium BVBA		
Sales of services	1,101,273,719	-
HCL Axon Solutions (Shanghai) Co. Ltd.		
Sales of services	1,051,748,500	-
HCL Technologies Germany GmbH		
Sales of services	1,331,318,193	3,459,197,168
HCL America Solutions Inc.		
Sales of services	16,065,536,229	99,192,688
HCL Australia Services Pty. Limited		
Sales of services	20,140,655,638	161,467,447
Other related companies		
Sales of services and consulting charges	13,692,174,870	1,192,514,524

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28. Comparative information

Comparative information as at 1 April 2022 was derived from the balances and amounts reported in the Company's financial statements as at and for the year ended 31 March 2022.

28 June 2023

Prepared by:



Nguyen Thi Thao
Accountant

Approved by:



Sundaram Sundharan
Director

