

Financial Statements

HCL (Ireland) Information Systems Limited

For the year ended 31 March 2020

Registered number : 534637

Company Information

Directors Shiv Kumar Walia (United Kingdom)
Bejoy Joseph George (Germany)
Subramanian Gopalakrishnan (India)

Company secretary TMF Administration Services Limited

Registered number 534637

Registered office Telephone House
43-46 Marlborough Street
Dublin 1

Independent auditors KPMG
1 Stokes Place
St. Stephen's Green
Dublin 2

Bankers Citibank Europe plc
1 North Wall Quay
Dublin 1

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Directors' Report

For the Financial year ended 31 March 2020

The directors present their annual report and the audited financial statements for the financial year ended 31 March 2020.

Principal activities

The principal activity of the company is to provide IT and IT enabled services to its customers.

Business review

The directors are satisfied with the performance of the company. The company is well poised for future growth and plans to expand its operations in the coming years.

Results and dividends

The profit for the financial year, after taxation, amounted to € 10,983,005 (2019 €4,718,387).

Dividend paid during the year amounted to € 9,221,200 (2019 Nil)

Director's and Secretary's interests

In accordance with Section 329 of the Companies Act 2014, The Directors who hold office at 31 March 2020, had no beneficial interest in the shares of the company or any group companies at the beginning or end of the year.

The secretary, TMF Administration Services Limited, did not hold any shares in the company or any group companies at the beginning or end of the year.

Principal risks and uncertainties

The directors consider that the principal risks and uncertainties faced by the company are in the following categories:

Economic risk

The risk of increased interest rates and/or inflation having an adverse impact on served markets.

Financial risk

The company has budgetary and financial reporting procedures, supported by appropriate key performance indicators, to manage costs, debt collections and other financial risk.

Accounting records

The measures taken by the directors to ensure compliance with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The company's accounting records are maintained at the company's registered office at HCL Technologies Ltd., Noida, India and are made available to Telephone House, 4346 Marlborough Street, Dublin 1.

Directors' Report (continued)

For the Financial year ended 31 March 2020

Future Development

The company plans to continue its present activities.

Research and development activities

The company did not engage in any research or development during the year ended 31 March 2020.

Directors' compliance policy statement

The Directors acknowledge that they are responsible for securing the Company's compliance with its relevant obligations as defined in section 225 of the Companies Acts and hereby confirm that they have completed the following;

- Ensured compliance with appropriate group policies relevant to the company. A company compliance statement has not been developed as the company follows group policies appropriate to the company.
- Put in place appropriate arrangements and structures that are, in the directors' opinion, designed to secure material compliance with the Companies' relevant obligations; and
- Have conducted a review of the aforementioned arrangements and structures.

Audit committee statement:

The directors of the Company have decided not to establish an Audit Committee pursuant to section 167 Companies Act 2014 as the Company is a subsidiary company and its ultimate parent undertaking has established such a committee that in all material respects ensures compliance by the Company of obligations under that section. Further the Board believed that they have policies and procedures in place to ensure the Board complies with its responsibilities relating to financial reporting, risk assessment and internal control.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Directors' Report (continued)

For the Financial year ended 31 March 2020

Political donations

No political contributions that requires disclosure under section 26(1) Electoral Act 1997 (as amended) were made during the financial year ended 31 March 2020.

Post balance sheet events

There have been no significant events affecting the Company since the financial year end.

Auditors

KPMG, Chartered Accountants and Statutory Audit Firm were appointed during the year in accordance with section 383(1) of the Companies Act 2014.

KPMG is proposed to be reappointed as auditor in accordance with sec 383(2) of Companies Act 2014 for the next financial year

This report was approved by the board and signed on its behalf.

Shiv Kumar Walia

Director

Date : 24 August 2020

Subramanian Gopalakrishnan

Director

Directors' Responsibilities Statement

For the Financial year ended 31 March 2020

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable Irish law and regulations.

Irish company law requires the directors to prepare the financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with Irish Generally Accepted Accounting Practice in Ireland, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company as at the financial year end date, of the profit or loss of the Company for that financial year and otherwise comply with the Companies Act 2014.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies & apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the will continue in business.

The directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' Report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board

Shiv Kumar Walia

Director

Date : 24 August 2020

Subramanian Gopalakrishnan

Director



**KPMG
Audit**
1 Stokes Place
St. Stephen's Green
Dublin 2
D02 DE03
Ireland

Independent auditor's report to the members of HCL (Ireland) Information Systems Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of HCL (Ireland) Information Systems Limited ("the Company") for the year ended 31 March 2020 set out on pages 8 to 23, which comprise the statement of profit and loss and other comprehensive income, the balance sheet, the statement of changes in equity and related notes, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion, the accompanying financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards 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 ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We have nothing to report on going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the directors' report. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

***Report on the audit of the financial statements (continued)******Other information (continued)***

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information. Based solely on our work on the other information, we report that:

- we have not identified material misstatements in the directors' report;
- in our opinion, the information given in the directors' report is consistent with the financial statements;
- in our opinion, the directors' report has been prepared in accordance with the Companies Act 2014.

Opinions on other matters prescribed by the Companies Act 2014

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by Sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

Respective responsibilities and restrictions on use***Responsibilities of directors for the financial statements***

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.



Respective responsibilities and restrictions on use (continued)

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 ISAs (Ireland) 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.

A fuller description of our responsibilities is provided on IAASA's website at https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8fa98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Maurice McCann
for and on behalf of
KPMG
Chartered Accountants, Statutory Audit Firm
1 Stokes Place
St. Stephen's Green
Dublin 2
Ireland

24 August 2020

Statement of Comprehensive Income

For the Year ended 31 March 2020

	Notes	Year ended 31 March 2020 €	Year ended 31 March 2019 €
Turnover	3	80,161,597	72,939,168
Cost of sales		<u>(68,370,049)</u>	<u>(61,519,860)</u>
Gross profit		11,791,548	11,419,308
Distribution costs		(1,241,120)	(580,366)
Administrative expenses		1,968,642	(5,456,876)
Other operating Expense/Income		31,945	12,554
Operating profit	4	<u>12,551,015</u>	<u>5,394,620</u>
Interest payable and expenses	6	<u>(7,949)</u>	<u>(74,021)</u>
Profit before tax		12,543,066	5,320,599
Tax on profit	7	(1,560,061)	(602,212)
Profit for the financial year		<u>10,983,005</u>	<u>4,718,387</u>
Other comprehensive income for the financial year			
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the financial year		<u>10,983,005</u>	<u>4,718,387</u>

All amounts relate to continuing operations

Statement of Financial Position

As at 31 March 2020

		As at 31 March 2020 €	As at 31 March 2019 €
	Notes		
Fixed assets			
Tangible fixed assets	8	84,716	112,185
Current assets			
Stocks	9	255,331	172,783
Debtors: amounts falling due after more than one year	10	571,599	942,987
Debtors: amounts falling due within one year	10	25,559,325	29,309,138
Cash at bank and in hand	11	7,999,495	2,255,970
		<u>34,385,750</u>	<u>32,680,878</u>
Creditors: amounts falling due within one year	12	(25,004,816)	(25,089,218)
Net current assets		<u>9,380,934</u>	<u>7,591,660</u>
Total assets less current liabilities		<u>9,465,650</u>	<u>7,703,845</u>
Creditors: amounts falling due after one year		-	-
Net assets		<u><u>9,465,650</u></u>	<u><u>7,703,845</u></u>
Capital and reserves			
Called up share capital	13	100,000	100,000
Retained Earnings	14	9,365,650	7,603,845
Shareholders' funds		<u><u>9,465,650</u></u>	<u><u>7,703,845</u></u>

The financial statements were approved and authorised for issue by the board:

Registration Number : 534637

Shiv Kumar Walia
Director

Subramanian Gopalakrishnan
Director

Date : 24 August 2020

The notes on pages 11 to 23 form part of these financial statements

Statement of Changes in Equity

As at 31 March 2020

	Called up share capital	Retained earnings	Shareholder's Fund
	€	€	€
At 1 April 2019	100,000	7,603,845	7,703,845
Total comprehensive income for the year	-	10,983,005	10,983,005
Contribution by and distribution to owners	100,000	18,586,850	18,686,849
Dividend: Ordinary shares	-	9,221,200	9,221,200
At 31 March 2020	100,000	9,365,650	9,465,649

	Called up share capital	Retained earnings	Shareholder's Fund
	€	€	€
At 1 April 2018	100,000	2,885,458	2,985,458
Total comprehensive income for the year	-	4,718,387	4,718,387
At 31 March 2019	100,000	7,603,845	7,703,845

The notes on pages 11 to 23 from part of these financial statements

Notes to the Financial Statements

For the Financial year ended 31 March 2020

1. Accounting policies

1.1 Company information

HCL (Ireland) Information Systems Limited is a limited liability company, which is registered and incorporated in the Republic of Ireland. The company's registered office is at Telephone House, 43-46 Marlborough Street, Dublin 1.

1.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Basic Financial Instruments;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of HCL Technologies Limited as at 31 March 2020 and these financial statements may be obtained from the Companies Registry in India, and the consolidated financial statements are available at www.hcltech.com.

1.3 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and Irish statute comprising of the Companies Act 2014.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

The financial statements are prepared in euro which is the reporting currency of the company and rounded to the nearest €.

The following principal accounting policies have been applied:

Notes to the Financial Statements

For the Financial year ended 31 March 2020

1. Accounting policies (continued)

1.4 Revenue

Revenue for consultancy services charged on a time and materials basis is recognised when the services are performed. Revenue for sale of licence is recognized upon the transfer of risks and rewards.

Revenue from fixed price contracts is recognised in accordance with the percentage completion method under which the revenue is recognised on the basis of cost incurred in respect of each contract as a proportion of total cost expected to be incurred. The cumulative impact of any revision in estimates of the percentage of work completed is reflected in the year in which the change becomes known. Provision for estimated losses is made during the year in which a loss becomes probable based on current cost estimates.

The amount of profit attributable to the stage of completion of a long term contract is recognised when the outcome of the contract can be foreseen with reasonable certainty. Turnover for such contracts is stated at the cost appropriate to the stage of completion plus attributable profits, less amounts recognised in previous years. Provision is made for losses as soon as they are foreseen.

Trade discounts are provided to customers in accordance with the agreed terms and conditions outlined in the customer contract and are discounted for as reduction in revenue.

1.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Plant and machinery	-	10 years
Fixtures and fittings	-	7 years
Computer equipment	-	4-5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

Notes to the Financial Statements

For the Financial year ended 31 March 2020

1. Accounting policies (continued)

1.6 Operating leases: the Company as lessee

Leases in which substantially all the risk and rewards of ownership are retained by the lessor are classified as operating leases. Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

1.7 Finance leases

Where assets leased to a third party give rights approximating to ownership (finance leases), the assets are treated as if they had been sold outright. The amount removed from the fixed assets is the net book value on disposal of the asset. The profit on disposal, being the excess of the present value of the minimum lease payments over net book value is credited to profit or loss.

Lease payments are analysed between capital and interest components so that the interest element of the payment is credited to profit or loss over the term of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts owed by the lessee.

1.8 Stocks

Stocks comprises finished goods are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

1.9 Debtors

Debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.11 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.

Notes to the Financial Statements

For the Financial year ended 31 March 2020

1. Accounting policies (continued)

1.12 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.13 Creditors

Creditors are classified as current liabilities if payment is due within one year or less, if they are not they are presented as non current liabilities.

Creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Notes to the Financial Statements

For the Financial year ended 31 March 2020

1. Accounting policies (continued)

1.14 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.15 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

1.16 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the financial year in which they are incurred.

1.17 Current and deferred taxation

The tax expense for the financial year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Notes to the Financial Statements

For the Financial year ended 31 March 2020

2. Judgments in applying accounting policies and key sources of estimation uncertainty

When preparing the financial statements, management undertakes a number of judgments, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses. These are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant management judgement

The following are significant management judgments in applying the accounting policies of the company that have the most significant effect on the financial statements.

Allowances for impairment of trade receivables

The company estimates the allowance for doubtful trade receivables based on assessment of specific accounts where the Company has objective evidence comprising default in payment terms or significant financial difficulty that certain customers are unable to meet their financial obligations. In these cases, judgment used was based on the best available facts and circumstances including but not limited to, the length of relationship.

Percentage of completion in Fixed Price Project

The company estimates the total cost of project based on which percentage of completion is calculated for Fixed price projects. Revenue is recognized based on the costs incurred to date as a percentage of total estimated cost to fulfil the contract. Any revision in cost to complete would result in increase or decrease in revenue and such changes are recorded in the period in which they are identified.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and physical obsolescence that may change the utility of certain assets.

Notes to the Financial Statements

For the Financial year ended 31 March 2020

3. Turnover

An analysis of turnover by class of business is as follows :

	Year ended 31 March 2020	Year ended 31 March 2019
	€	€
Software income	78,423,893	71,290,994
Product sales	1,737,704	1,648,174
	<u>80,161,597</u>	<u>72,939,168</u>

Analysis of turnover by country of destination :

	Year ended 31 March 2020	Year ended 31 March 2019
	€	€
Republic of Ireland	68,257,612	68,897,398
Rest of the world	11,903,985	4,041,770
	<u>80,161,597</u>	<u>72,939,168</u>

4. Profit on ordinary activities before taxation

The operating profit is stated after charging :

	Year ended 31 March 2020	Year ended 31 March 2019
	€	€
Depreciation of tangible assets	39,109	36,539
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts*	25,033	17,500
Operating lease - land and buildings	(2,532,031)	4,152,912
Foreign exchange gain	(31,944)	(3,022)
Defined contribution pension cost	<u>162,067</u>	<u>77,666</u>

*Fees mentioned above related to audit services € 31,683 (PY € 17,500) and no service other than audit provided during the year.

Notes to the Financial Statements

For the Financial year ended 31 March 2020

5. Employees

Staff costs were as follows :

	Year ended 31 March 2020	Year ended 31 March 2019
	€	€
Wages and salaries	11,278,951	13,632,069
Social insurance costs	976,386	1,376,194
Cost of defined contribution scheme	162,067	77,666
	<u>12,417,404</u>	<u>15,085,929</u>

Capitalised employee costs during the financial year amounted to € NIL (2019 - € NIL).

The average monthly number of employees, including the directors, during the financial year was as follows :

	Year ended 31 March 2020	Year ended 31 March 2019
	No.	No.
Employees	<u>201</u>	<u>393</u>

The directors have not received any remuneration for the year end 31 March 2019 and 31 March 2020.

6. Interest payable and similar charges

	Year ended 31 March 2020	Year ended 31 March 2019
	€	€
Other loan interest payable	7,949	17,440
Interest on loans from group undertakings	-	56,581
	<u>7,949</u>	<u>74,021</u>

Notes to the Financial Statements

For the Financial year ended 31 March 2020

7. Taxation

	Year ended 31 March 2020 €	Year ended 31 March 2019 €
Corporation tax		
Tax on profits for current year	1,601,945	687,703
Adjustments in respect of previous periods	(22,186)	(77,381)
	<u>1,579,759</u>	<u>610,322</u>
Total current tax	<u>1,579,759</u>	<u>610,322</u>
Deferred tax		
Origination and reversal of timing difference	(32,215)	(12,883)
Adjustment in respect previous periods	12,517	4,773
	<u>(19,698)</u>	<u>(8,110)</u>
Total deferred tax	<u>(19,698)</u>	<u>(8,110)</u>
Taxation on profit on ordinary activities	<u>1,560,061</u>	<u>602,212</u>

Factors affecting tax change for the financial year

The tax assessed for the financial year/period is lower than (2019- lower than) the standard rate of corporation tax in Ireland of 12.5 % (2019 - 12.5%). The differences are explained below:

	Year ended 31 March 2020 €	Year ended 31 March 2019 €
Profit on ordinary activities before tax	<u>12,543,066</u>	<u>5,320,599</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in Ireland of 12.5 % (2019 - 12.5%)	1,567,883	665,075

Effects of :

Permanent differences	1,847	(1,629)
Tax on employee medical insurance	-	20,920
Adjustments to tax charge in respect of prior periods	(9,669)	(82,154)
Total tax charge for the financial year	<u>1,560,061</u>	<u>602,212</u>

Notes to the Financial Statements

For the Financial year ended 31 March 2020

8. Tangible fixed assets

	Plant and machinery €	Furniture and fittings €	Computer equipment €	Capital work in progress €	Total €
Cost or valuation					
At 1 April 2019	100,403	7,957	89,197	-	197,557
Additions	-	-	9,918	1,722	11,640
At 31 March 2020	100,403	7,957	99,115	1,722	209,197
Depreciation					
At 1 April 2019	40,349	1,810	43,213	-	85,372
Charge for the year on owned assets	19,298	1,137	18,674	-	39,109
At 31 March 2020	59,647	2,947	61,887	-	124,481
Net book value					
At 31 March 2020	40,756	5,010	37,228	1,722	84,716
At 31 March 2019	60,054	6,147	45,984	-	112,185

9. Stocks

	As at 31 March 2020 €	As at 31 March 2019 €
Finished goods	255,331	172,783
	<u>255,331</u>	<u>172,783</u>

10. Debtors

	As at 31 March 2020 €	As at 31 March 2019 €
Due after more than one year		
Deferred tax asset	42,267	22,569
Finance lease receivables	529,332	920,418
	<u>571,599</u>	<u>942,987</u>
Due within one year		
Trade debtors	16,462,821	9,410,389
Amounts owed by group undertakings	2,909,728	17,454,531
Finance lease receivables	1,540,105	1,061,228
Other debtors	715,917	102,432
Prepayments	463,630	100,672
Accrued income	3,467,124	1,179,886
	<u>25,559,325</u>	<u>29,309,138</u>

Amounts owed by group undertakings are unsecured, receivable on demand and non-interest bearing.

Notes to the Financial Statements

For the Financial year ended 31 March 2020

11. Cash and cash equivalents

	As at 31 March 2020	As at 31 March 2019
	€	€
Cash at bank and in hand	7,999,495	2,255,970
	<u>7,999,495</u>	<u>2,255,970</u>

12. Creditors : Amounts falling due within one year

	As at 31 March 2020	As at 31 March 2019
	€	€
Trade creditors	474,739	784,440
Amounts owed to group undertakings	18,518,498	16,298,094
Corporation tax	705,951	360,439
Other taxation and social insurance	2,297,817	1,221,907
Other creditors	344,682	201,309
Accruals and deferred income	2,663,129	6,223,029
	<u>25,004,816</u>	<u>25,089,218</u>

Trade and other creditors are payable at various dates in accordance with the supplier's usual and customary credit terms.

All taxes including social insurance are repayable at various dates over the coming months in accordance with the applicable statutory provisions.

Amounts due to group undertakings in relation to short term loans are unsecured, attract interest at Libor plus 100bps and are repayable on demand.

	As at 31 March 2020	As at 31 March 2019
	€	€
Other taxation and social insurance		
PAYE/PRSI control	306,758	157,621
Value added tax	1,991,059	1,064,286
	<u>2,297,817</u>	<u>1,221,907</u>

Notes to the Financial Statements

For the Financial year ended 31 March 2020

13. Share capital

	As at 31 March 2020 €	As at 31 March 2019 €
Shares presented as equity		
Authorised		
500000 Ordinary shares of €10 each	<u>5,000,000</u>	<u>5,000,000</u>
Alloted, called up and fully paid		
10000 Ordinary shares of €10 each	<u>100,000</u>	<u>100,000</u>

The company has issued 10000 ordinary shares of €10 each at par value.

14. Retained earnings

Includes all current and prior period retained profits and losses.

15. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contribution payable by the Company to the fund and amounted to € 162,067 (2019: €77,666).

16. Commitments under operating leases

At 31 March 2020 the Company had future minimum lease payments under non-cancellable operating lease as follows:

	As at 31 March 2020 €	As at 31 March 2019 €
Not later than 1 year	968,084	968,084
Later than 1 year and not later than 5 years	<u>484,042</u>	<u>2,532,681</u>
	<u>1,452,126</u>	<u>3,500,765</u>

Notes to the Financial Statements

For the Financial year ended 31 March 2020

17. Auditors' remuneration

	Year ended 31 March 2020 €	Year ended 31 March 2019 €
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	<u>31,683</u> <u>31,683</u>	<u>17,500</u> <u>17,500</u>

18. Related party transactions

The company has taken advantage of the exemption available in section 33 of FRS102 from disclosing transactions with related parties that are wholly owned by HCL Technologies Limited group, on the basis that 100% of the Company's voting rights are controlled within the group and consolidated financial statements in which the Company is included are available.

19. Controlling party

The parent company is HCL Technologies UK Limited, a company registered in the United Kingdom. The ultimate parent company is HCL Technologies Limited, a company registered in India. The results for the year are consolidated within HCL Technologies Limited, the consolidated financial statements are available at www.hcltech.com.

20. Post balance sheet events

There have been no significant events affecting the company since the financial year end.

21. Approval of financial statements

The board of directors approved these financial statements for issue on 24 August 2020