B S R & Co. LLP
Chartered Accountants

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TO THE BOARD OF DIRECTORS OF HCL Istanbul Bilisim Teknolojileri Limited Sirketi

Report on the Audit of Special Purpose Financial Statements

Opinion

We have audited the Special Purpose Financial Statements of **HCL Istanbul Bilisim Teknolojileri Limited Sirketi** ("the Company"), which comprise the Special Purpose Balance Sheet as at 31 March 2021, the Special Purpose Statement of Profit and Loss (including Other Comprehensive Income), Special Purpose Statement of Changes in Equity and Special Purpose Statement of Cash Flows for the year then ended, and notes to the Special Purpose financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter collectively referred to as 'financial statements'). These financial statements have been prepared by the management in accordance with the basis described in Note 1(a) to the accompanying notes to the financial statements.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view of the state of affairs of the Company as at 31 March 2021, and of its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date in accordance with the basis described in Note 1(a) to the financial statements.

Basis for Opinion

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

Management's Responsibility for the Financial Statements

The Company's management and Board of Directors are responsible for the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the basis described in Note 1(a) to the financial statements. This responsibility also includes maintenance of adequate accounting records, for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SA's 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 SA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 1(a) to the financial statements, which describes the basis of accounting. These financial statements are prepared for the use of the Company and the ultimate holding Company, HCL Technologies Limited, to comply with the requirements of the

Companies Act, 2013. These financial statements are not the statutory financial statements of the Company. As a result, these financial statements may not be suitable for any other purpose. Our report must not be copied, disclosed, quoted or circulated, or referred to, in correspondence or discussion, in whole or in part or distributed to anyone other than the purpose for which it has been issued without our prior written consent.

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

ANURAG KUMAR MAHESHWARY
Digitally signed by ANURAG KUMAR MAHESHWARY
Date: 2021.07.30 13:29:30 +05'30'

Anurag Maheshwary
Partner
Membership No.: 506533
ICAI UDIN: 21506533AAAACG9229

Place: Gurugram
Date: 30 July 2021

HCL Istanbul Bilisim Teknolojileri Limited Sirketi

SPECIAL PURPOSE FINANCIAL STATEMENTS

For the year ended 31 March 2021 and year ended 31 March 2020

HCL Istanbul Bilisim Teknolojileri Limited Sirketi
Special Purpose Balance Sheet as at 31 March 2021
(All amounts in thousands except share data and as stated otherwise)

		Note No.	As at 31 March 2021 (TRY)	As at 31 March 2020 (TRY)	As at 31 March 2021 refer note 1(a) (₹)
I.	**ASSETS**				
	(1) Non-current assets				
	(a) Property, Plant and Equipment	**3.1**	1,268	1,095	11,155
	(b) Goodwill	**3.2**	1,800	1,800	15,832
	(c) Other Intangible assets	**3.3**	614	776	5,400
	(d) Financial Assets				
	(i) Others	**3.4**	873	354	7,677
	(e) Deferred tax assets (net)	**3.22**	799	889	7,028
	(f) Other non-current assets	**3.5**	1	1	6
	(2) Current assets				
	(a) Inventories	**3.6**	258	352	2,268
	(b) Financial Assets				
	(i) Trade receivables	**3.7**	8,437	10,859	74,207
	(ii) Cash and cash equivalents	**3.8**	1,568	6,972	13,792
	(iii) Others	**3.4**	852	2,164	7,491
	(c) Current tax assets (net)		383	355	3,372
	(d) Other current assets	**3.9**	4,993	1,575	43,914
	TOTAL ASSETS		**21,846**	**27,192**	**192,142**
II.	**EQUITY**				
	(a) Equity Share Capital	**3.10**	100	100	880
	(b) Other Equity		8,030	6,806	70,626
	TOTAL EQUITY		**8,130**	**6,906**	**71,506**
III.	**LIABILITIES**				
	(1) Non - current liabilities				
	(a) Financial Liabilities				
	(i) Lease liabilities	**3.27**	42	-	370
	(b) Other non-current liabilities	**3.11**	18	-	156
	(1) Current liabilities				
	(a) Financial Liabilities				
	(i) Trade payables	**3.12**	6,562	14,734	57,712
	(ii) Lease liabilities	**3.27**	34	-	296
	(iii) Others	**3.13**	3,417	2,856	30,057
	(b) Other current liabilities	**3.14**	3,528	2,623	31,033
	(c) Provisions	**3.15**	115	73	1,012
	TOTAL EQUITY AND LIABILITIES		**21,846**	**27,192**	**192,142**
	Summary of significant accounting policies	**1**			

The accompanying notes are an integral part of the special purpose financial statements

As per our report of even date

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

Anurag Maheshwary

Anurag Maheshwary
Partner
Membership Number: 506533

Gurugram, India
Date: July 30, 2021

For and on behalf of the Board of Director
of HCL Istanbul Bilisim Teknolojileri Limited Sirketi

Sridharan S

Sundaram Sridharan
Director

Date: July 30, 2021

HCL Istanbul Bilisim Teknolojileri Limited Sirketi
Special Purpose Profit and Loss for the year ended 31 March 2021
(All amounts in thousands except share data and as stated otherwise)

		Note No.	Year ended 31 March 2021 (TRY)	Year ended 31 March 2020 (TRY)	Year ended 31 March 2021 refer note 1(a) (₹)
I	**Revenue**				
	Revenue from operations	**3.16**	25,299	20,003	222,512
	Other income	**3.17**	822	-	7,227
	Total income		**26,121**	**20,003**	**229,739**
II	**Expenses**				
	Purchase of stock in trade		1,596	1,016	14,035
	Changes in inventories of stock in trade	**3.18**	94	(240)	824
	Employee benefits expense	**3.19**	4,123	3,134	36,260
	Finance costs	**3.20**	93	33	821
	Outsourcing costs		16,554	13,880	145,599
	Depreciation and amortization expense	**3.1**	654	495	5,749
	Other expenses	**3.21**	1,663	1,345	14,625
	Total expenses		**24,777**	**19,663**	**217,913**
III	**Profit before tax**		**1,344**	**340**	**11,826**
IV	**Tax expense**	**3.22**			
	Current tax		410	642	3,604
	Deferred tax credit		90	(450)	794
	Total tax expense		500	192	4,398
V	**Profit for the year**		**844**	**148**	**7,428**
VI	**Other comprehensive income**		-	-	-
VI	**Total Comprehensive Income for the year**		**844**	**148**	**7,428**
	Earnings per equity share of TRY 100 each				
	Basic	**3.26**	0.84	0.15	7.43
	Diluted		0.68	0.15	5.99
	Summary of significant accounting policies	**1**			

The accompanying notes are an integral part of the special purpose financial statements

As per our report of even date

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

Anurag Maheshwary

Anurag Maheshwary
Partner
Membership Number: 506533

Gurugram, India
Date: July 30, 2021

For and on behalf of the Board of Director
of HCL Istanbul Bilisim Teknolojileri Limited Sirketi

Sridharan S

Sundaram Sridharan
Director

Date: July 30, 2021

HCL Istanbul Bilisim Teknolojileri Limited Sirketi
Statement of Special Purpose Changes in Equity for the year ended 31 March 2021
(All amounts in thousands except share data and as stated otherwise)

(Amount in TRY)

	Equity share capital			
	Shares	Share capital	Share application money pending allotment	Other Equity
Balance as at 1 April 2019	1,000	100	-	6,658
Profit for the year	-	-	-	148
Total comprehensive income for the year	-	-	-	148
Balance as at 1 April 2020	1,000	100	-	6,806
Share application money pending allotment	-	-	380	380
Profit for the year	-	-	-	844
Total comprehensive income for the year	-	-	-	844
Balance as at 31 March 2021	1,000	100	380	8,030

(Amount in ₹)

	Equity share capital			
	Shares	Share capital	Share application money pending allotment	Other Equity
Balance as at 1 April 2020	1,000	880	-	59,859
Share application money pending allotment	-	-	3,339	3,339
Profit for the year	-	-	-	7,428
Total comprehensive income for the year	-	-	-	7,428
Balance as at 31 March 2021	**1,000**	**880**	**3,339**	**70,626**

Note: The share application money pending allotment represents the amount of additional shares amounting to TRY 380 (₹ 3,339) to be issued by the entity to its sole shareholder HCL Technologies UK Ltd.

Summary of significant accounting policies

The accompanying notes are an integral part of special purpose the financial statements

As per our report of even date

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

Anurag Maheshwary

Anurag Maheshwary
Partner
Membership Number: 506533

Gurugram, India
Date: July 30, 2021

For and on behalf of the Board of Director
of HCL Istanbul Bilisim Teknolojileri Limited Sirketi

Sridharan S

Sundaram Sridharan
Director

Date: July 30, 2021

HCL Istanbul Bilisim Teknolojileri Limited Sirketi
Statement of Special Purpose Cash flow for the year ended 31 March 2021
(All amounts in thousands except share data and as stated otherwise)

		Year ended 31 March 2021 (TRY)	Year ended 31 March 2020 (TRY)	Year ended 31 March 2021 refer note 1(a) (₹)
A. Cash flows from operating activities				
Profit before tax		1,344	340	11,826
Adjustment for:				
Depreciation and amortization expense		654	495	5,749
Provision for doubtful debts		880	541	7,743
Interest expenses		8	25	72
		2,886	**1,401**	**25,390**
Net change in				
Trade receivables		1,541	(3,697)	13,557
Inventories		94	(240)	825
Other financial assets and other assets		(2,624)	(1,254)	(23,078)
Trade payables		(8,172)	6,286	(71,874)
Provisions, other financial liabilities and other liabilities		1,602	2,612	14,093
Cash generated from operations		**(4,673)**	**5,108**	**(41,087)**
Direct taxes paid		(438)	(419)	(3,854)
Net cash flow (used in)/from operating activities	**(A)**	**(5,111)**	**4,689**	**(44,941)**
B. Cash flows from investing activities				
Purchase of property, plant and equipment		(665)	(1,346)	(5,849)
Net cash flow used in investing activities	**(B)**	**(665)**	**(1,346)**	**(5,849)**
C. Cash flows from financing activities				
Proceeds from share application money		380	-	3,339
Interest paid		(8)	-	(72)
Net cash flow from financing activities	**(C)**	**372**	**-**	**3,267**
Net increase in cash and cash equivalents (A+B+C)		(5,404)	3,343	(47,523)
Cash and cash equivalents at the beginning of the year		6,972	3,629	61,315
Cash and cash equivalents at the end of the year as per note 3.8		**1,568**	**6,972**	**13,792**

Summary of significant accounting policies (Note 1)

The accompanying notes are an integral part of the special purpose financial statements

As per our report of even date.

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

Anurag Maheshwary

Anurag Maheshwary
Partner
Membership Number: 506533

Gurugram, India
Date: July 30, 2021

For and on behalf of the Board of Director
of HCL Istanbul Bilisim Teknolojileri Limited Sirketi

Sridharan S

Sundaram Sridharan
Director

Date: July 30, 2021

Company Overview

HCL Istanbul Bilisim Teknolojileri Limited Sirketi (hereinafter referred to as 'Company') is a Business Transformation consultancy company aiming to provide medium and large size organizations with Business Transformation solutions that encompass all elements of Business Consulting, Solution Implementation and ongoing Application Management. The Company was incorporated on 30 September 2014 in Istanbul.

The special purpose financial statements for the year ended 31 March 2021 were approved and authorized for issue by the Board of Directors on July 30, 2021.

1. Significant Accounting Policies

a) Basis of preparation

The special purpose financial statements of the Company have been prepared in accordance with recognition and measurement principle laid down in Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time.) and presentation requirements of Schedule III (Division II) to the Companies Act, 2013, as applicable, to the special purpose financial statements. These special purpose financial statements have been prepared on the request of HCL Technologies Ltd, being the Ultimate Holding Company to comply with the requirements of the Companies Act, 2013 and are accordingly special purpose financial statements.

These special purpose financial statements have been prepared under the historical cost convention on an accrual and going concern basis except for the following assets and liabilities which have been measured at fair value or amortized cost:

i) Certain financial assets and liabilities (refer accounting policy regarding financial instruments),
ii) Defined benefit plans.

The accounting policies adopted in the preparation of these special purpose financial statements are consistent with those of the previous year.

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle of 12 months. The statement of cash flows has been prepared under indirect method.

The functional currency of the Company is Turkish Lira (TRY). The translation from TRY to ₹ is included solely for the convenience of readers in India and has been performed using rate of TRY 1 = ₹ 8.7952/-, the exchange rate prevailing as at the last day of the financial year. Such translation should not be construed as representation that the ₹ amount represents, or have been or could be converted into, TRY at that or any other rate.

b) Use of estimates

The preparation of special purpose financial statements in conformity with Ind AS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, costs, expenses and other comprehensive income (OCI) that are reported and disclosed in the special purpose financial statements and accompanying notes. These estimates are based upon management's best knowledge of current events, historical experience, actions that the company may undertake in the future and on various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from those estimates. Changes in estimates are reflected in the special purpose financial statements in the period in which the changes are made.

Significant estimates and assumptions are used for, but not limited to,

i) Accounting for costs expected to be incurred to complete performance under fixed price projects and determination of stand-alone selling prices for each distinct performance obligation in respect of proprietary software products, refer note 1(j).
ii) Allowance for uncollectible accounts receivables, refer note 1(p)(i)
iii) Recognition of income and deferred taxes, refer note 1(h) and note 3.25
iv) Useful lives of property, plant and equipment, refer note 1(f)
v) Lives of intangible assets, refer note 1(g)
vi) Key assumptions used for impairment of goodwill, refer note 1(c) and note 3.2
vii) Identification of leases and measurement of lease liabilities, refer note 1(d) and note 3.27.
viii) Provisions and contingent liabilities, refer note 1(m) and note 1(n).

In view of pandemic relating to COVID-19, the company has considered and taken into account internal and external information and has performed sensitivity analysis based on current estimates in assessing the recoverability of receivables, unbilled receivables, goodwill, intangible assets, other financial assets, impact on leases, impact on revenues and costs, including but not limited to the assessment of liquidity and going concern assumption. However, the actual impact of COVID-19 on the company's special purpose financial statements may differ from that estimated and the company will continue to closely monitor any material changes to future economic conditions

c) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is the aggregate of the consideration transferred measured at fair value at the acquisition date and the amount of any non-controlling interest in the acquiree. For each business combination, the Company measures the non-controlling interest in the acquiree at fair value. Acquisition related costs are expensed as incurred.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as financial liability is measured at fair value with changes in fair value recognized in the statement of special purpose profit and loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the excess is recognized as capital reserve after reassessing the fair values of the net assets.

d) Leases

Company as a lessee

Company is lessee in case of office space, accommodation for its employees & IT equipment. These leases are evaluated to determine whether it contains lease based on principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors as defined in Ind AS 116.

Right-of-use asset represents the Company’s right to control the underlying assets under lease and the lease liability is the obligation to make the lease payments related to the underlying asset under lease. Right-of-use asset is measured initially based on the lease liability adjusted for any initial direct costs, prepaid rent, and lease incentives. Right-of-use asset is depreciated based on straight line method over the lease term or useful life of right-of-use asset, whichever is less. Subsequently, right-of-use asset is measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of lease liability.

The lease liability is measured at the lease commencement date and determined using the present value of the minimum lease payments not yet paid and the Company's incremental borrowing rate, which approximates the rate at which the Company would borrow, in the country where the lease was executed. The Company has used a single discount rate for a portfolio of leases with reasonably similar characteristics. The lease payment comprises fixed payment less any lease incentives, variable lease payment that depends on an index or a rate, exercise price of a purchase option if the Company is reasonably certain to exercise the option and payment of penalties for terminating the lease, if the lease term reflects the company exercising an option to terminate the lease. Lease liability is subsequently measured by increase the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payment made and remeasuring the carrying amount to reflect any reassessment or modification, if any.

The Company has elected to not recognize leases with a lease term of 12 months or less in the special purpose balance sheet, including those acquired in a business combination, and lease costs for those short-term leases are recognized on a straight-line basis over the lease term in the statement of special purpose profit and loss. For all asset classes, the Company has elected the lessee practical expedient to combine lease and non-lease components and account for the combined unit as a single lease component in case there is no separate payment defined under the contract.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the year in which they are earned.

Leases in which the Company transfers substantially all the risk and benefits of ownership of the asset are classified as finance leases. Assets given under finance lease are recognized as a receivable at an amount equal to the net investment in the leased assets. After initial recognition, the Company apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance leases. The interest income is recognized in the statement of special purpose profit and loss. Initial direct costs such as legal cost, brokerage cost etc. are recognized immediately in the statement of special purpose profit and loss.

e) Inventories

Stock in trade, stores and spares are valued at the lower of the cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Cost of stock in trade procured for specific projects is assigned by identification of individual costs of each item. Cost of stock in trade, that are interchangeable and not specific to any project and cost of stores and spare parts are determined using the weighted average cost formula.

f) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. The company identifies and determines separate useful lives for each major component of the property, plant and equipment, if they have a useful life that is materially different from that of the assets as a whole.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard or period of performance. All other expenses on existing fixed assets, including day – to - day repairs, maintenance expenditure and cost of replacing parts, are charged to the statement of special purpose profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of special purpose profit and loss when the asset is derecognized.

Property, plant and equipment under construction and cost of assets not ready for use before the year-end, are disclosed as capital work – in - progress.

Depreciation on property, plant and equipment is provide on the straight-line method over their estimated useful lives, as determined by the management. Depreciation is charged on a pro-rata basis for assets purchased/sold during the year.

The management's estimates of the useful lives of following assets for computing depreciation are as follows: -

	Life (in years)
Computer	4-5
Office equipment's	5

The useful life as given above best represent the period over which the management expects to use these assets, based on technical assessment. Hence, the useful life for the assets is different from the useful life prescribed under Part C of Schedule II of the Companies Act 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

g) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Intangible assets are amortized over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of special purpose profit and loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of special purpose profit and loss when the asset is derecognized.

The intangible assets are amortized over the estimated useful life of the assets as mentioned below.

	Life (in years)
Software	3
Customer relationships	10

h) Impairment of non-financial assets

Goodwill

Goodwill is tested annually on March 31, for impairment, or sooner whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Group's cash generating units (CGU) expected to benefit from the synergies arising from the business combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU. Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU, pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill recognized in the statement of special purpose profit and loss is not reversed in the subsequent period.

The company tests goodwill for impairment annually, or more frequently when there is an indication for impairment. The company has performed its annual goodwill impairment testing considering the likely impact of COVID-19 on future cash flows, discount rates, growth rates, earnings before interest and taxes, including terminal growth rate, along with subjecting these variables to sensitivity analysis considering impacted industry verticals and geographies.

Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognized in the statement of special purpose profit and loss is measured by the amount by which the carrying value of the asset exceeds the estimated recoverable amount of the asset.

i) Fair value measurement

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

The company holds certain fixed income securities, equity securities and derivatives, which must be measured using the guidance for fair value hierarchy and related valuation methodologies. The guidance specifies a hierarchy of valuation techniques based on whether the inputs to each measurement are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the company's assumptions about current market conditions. The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The prescribed fair value hierarchy and related valuation methodologies are as follows:

Level 1 - Quoted inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 - Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-derived valuations, in which all significant inputs are directly or indirectly observable in active markets.

Level 3 - Valuations derived from valuation techniques, in which one or more significant inputs are unobservable inputs which are supported by little or no market activity.

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

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

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

c) Cost approach – Replacement cost method.

Certain assets are measured at fair value on a non-recurring basis. These assets consist primarily of non-financial assets such as goodwill and intangible assets. Goodwill and intangible assets recognized in business combinations are measured at fair value initially and subsequently when there is an indicator of impairment, the impairment is recognized.

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

j) Revenue Recognition

Contracts involving provision of services and material

Revenue is recognized when, or as, control of a promised service or good transfers to a customer, in an amount that reflects the consideration to which the Group expects to be entitled in exchange for transferring those products or services. To recognize revenues, the following five step approach is applied: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenues when a performance obligation is satisfied. Contract is accounted when it is legally enforceable through executory contracts, approval and commitment from all parties, the rights of the parties are identified, payment terms are defined, the contract has commercial substance and collectability of consideration is probable.

Time-and-material / Volume based / Transaction based contracts

Revenue with respect to time-and-material, volume based and transaction based contracts is recognized as the related services are performed through efforts expended, volume serviced transactions are processed etc. that correspond with value transferred to customer till date which is related to our right to invoice for services performed.

Fixed Price contracts

Revenue related to fixed price contracts where performance obligations and control are satisfied over a period of time like technology integration, complex network building contracts, ERP implementations and Application development are recognized based on progress towards completion of the performance obligation using a cost-to-cost measure of progress (i.e., percentage-of-completion (POC) method of accounting). Revenue is recognized based on the costs incurred to date as a percentage of the total estimated costs to fulfill 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. Provisions for estimated losses, if any, on contracts-in-progress are recorded in the period in which such losses become probable based on the current contract estimates. Contract losses are determined to be the amount by which the estimated incremental cost to complete exceeds the estimated future revenues that will be generated by the contract and are included in cost of revenues and recorded in other accrued liabilities

Revenue related to other fixed price contracts providing maintenance and support services, are recognized based on our right to invoice for services performed for contracts in which the invoicing is representative of the value being delivered. If our invoicing is not consistent with value delivered, revenues are recognized as the service is performed based on the cost to cost method described above.

In arrangements involving sharing of customer revenues, revenue is recognized when the right to receive is established.

Revenue from product sales are shown net of sales tax and applicable discounts and allowances. Revenue related to product with installation services that are critical to the product is recognized when installation of product at customer site is completed and accepted by the customer. If the revenue for a delivered item is not recognized for non-receipt of acceptance from the customer, the cost of the delivered item continues to be in inventory.

Proprietary Software Products

Revenue from distinct proprietary perpetual license software is recognized at a point in time at the inception of the arrangement when control transfers to the client. Revenue from proprietary term license software is recognized at a point in time for the committed term of the contract. In case of renewals of proprietary term licenses with existing customers, revenue from term license is recognized at a point in time when the renewal is agreed on signing of contracts. Revenue from support and subscription (S&S) is recognized over the contract term on a straight-line basis as the Company is providing a service of standing ready to provide support, when-and-if needed, and is providing unspecified software upgrades on a when-and-if available basis over the contract term. In case software are bundled with one year of support and subscription either for perpetual or term based license, such support and subscription contracts are generally priced as a percentage of the net fees paid by the customer to purchase the license and are generally recognized as revenues ratably over the contractual period that the support services are provided. Revenue from these proprietary software products is classified under sale of services.

Multiple performance obligation

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

Revenue recognition for delivered elements is limited to the amount that is not contingent on the future delivery of products or services, future performance obligations or subject to customer-specified return or refund privileges.

Revenue from certain activities in transition services in outsourcing arrangements are not capable of being distinct or represent separate performance obligation. Revenues relating to such transition activities are classified as Contract liabilities and subsequently recognized over the period of the arrangement. Direct and incremental costs in relation to such transition activities which are expected to be recoverable under the contract are considered as contract fulfillment costs classified as Deferred contract cost and recognized over the period of arrangement. Certain upfront non-recurring incremental contract acquisition costs incurred in the initial phases of outsourcing contracts are deferred and recorded as Deferred contract cost and amortized, usually on a straight line basis, over the term of the contract unless revenues are earned and obligations are fulfilled in a different pattern. The undiscounted future cash flows from the arrangement are periodically estimated and compared with the unamortized costs. If the unamortized costs exceed the undiscounted cash flow, a loss is recognized.

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

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

Revenue recognized but not billed to customers is classified either as contract assets or unbilled receivable in our statements of financial position, contract assets primarily relate to unbilled amounts on those contracts utilizing the cost to cost method of revenue recognition. Unbilled receivables represent contracts where right to consideration is unconditional (i.e. only the passage of time is required before the payment is due). A contract liability arises when there is excess billing over the revenue recognized.

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

Interest attributable to sales-type leases and direct financing leases included therein is recognized on an accrual basis using the effective interest method and is recognized as other income.

k) 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 special purpose balance sheet date. Exchange differences arising on settlement or translation of monetary items are recognized in the statement of special purpose profit and loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the initial transaction. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the year in which the transaction is settled. Revenue, expenses and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

l) Taxation

Income tax expense comprises current and deferred income tax.

Income tax expense is recognized in statement of special purpose profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the special purpose balance sheet date. Provision for income tax includes the impact of provisions established for uncertain income tax positions, as well as the related interest.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the special purpose financial statements.

The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the special purpose balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable company and the same taxation authority.

m) Provisions

A provision is recognized 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 resources embodying economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

n) Contingent liabilities

A contingent liability is a possible obligation that may arise from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the special purpose financial statements.

o) Retirement and other employee benefits

(i) Contributions to defined contribution plans are recognized as expense when employees have rendered services entitling them to such benefits.

(ii) Compensated absences: The employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the special purpose balance sheet date. Accumulated leave, which is expected to be utilized within the next 12 months, is treated as a short-term employee benefit for measurement purposes. The expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

p) Financial Instruments

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

i) Financial assets

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

Cash and cash equivalent

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

Financial instruments at amortized cost

A financial instrument is measured at the amortized cost if both the following conditions are met:

The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in other income in the statement of special purpose profit and loss. The losses arising from impairment are recognized in the statement of special purpose profit and loss. This category includes cash and bank balances, loans, unbilled revenue trade and other receivables.

Derecognition of financial assets
A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset.

Impairment of financial assets
The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit and loss. Lifetime ECL allowance is recognized for trade receivables with no significant financing component. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case they are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognized in statement of special purpose profit and loss.

ii) Financial liabilities

All financial liabilities are recognized initially at fair value and, in the case of loans and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade payables and other payables.

After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method except for deferred consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. Gains and losses are recognized in the statement of special purpose profit and loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of special purpose profit and loss.

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or Expires.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the special purpose balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis to realize the assets and settle the liabilities simultaneously.

q) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

Diluted EPS amounts are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

r) Recently issued accounting pronouncements

On 24 March 2021, the Ministry of Corporate Affairs (MCA), notified amendments in Schedule III to the Companies Act, 2013 effective from 1 April 2021.

The Company is currently evaluating the impact of these amendment on its special purpose financial statements.

2. ACQUISITIONS

(a) <u>Acquisitions in the previous year</u>

(i) **Acquisition of Select IBM Software products**

On 7 December 2018, HCL Group had signed a definitive agreement to acquire business relating to select IBM software products, the acquisition though has been consummated effective 30 June 2019.

The HCL Group has acquired these products for security, marketing, commerce, and digital solutions along with certain assumed liabilities and in scope employees. With this HCL Group gets 100% control on the assets being acquired and has also taken full ownership of the research and development, sales, marketing, delivery and support for these products. Through this acquisition, the HCL Group intends to enhance its products and platforms offering to customers across a wide range of industries and markets. IBM will pay the Company for the assumed liabilities as related services are rendered, based on an agreed basis.

HCL Istanbul Bilisim Teknolojileri Limited Sirketi had paid TRY 1,322,058 till 30 June 2019. TRY 1,322,057 is paid in the current year.

The acquisition was accounted for under the acquisition method of accounting in accordance with Ind AS 103 “Business combinations”.

Total value of acquired assets are as follows:

	Amount (TRY)
Customer relationship	811
Goodwill	1,800
Total	**2,611**

The resultant goodwill is considered tax deductible. This goodwill is attributable mainly to Company’s ability to upgrade the products and enhance the sale of products to customers in existing business of the Company and targeting new customers.

The table below shows the values and lives of intangible assets recognized on acquisition:

Asset description	Amount (TRY)	Life (in years)	Basis of amortization
Customer related intangibles	811	10	In proportion of estimated revenue

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Notes to special purpose financial statements for the year ended 31 March 2021
(All amounts in thousands except share data and as stated otherwise)

3.1 Property, plant and equipment

The changes in the carrying value for the year ended 31 March 2021

	Computers	Office Equipment	Total	Computers	Office Equipment	Total
	(TRY)	(TRY)	(TRY)	(₹)	(₹)	(₹)
Gross block as at 1 April 2020	1,846	39	1,885	16,239	345	**16,584**
Additions	665	-	665	5,849	-	**5,849**
Disposal	(156)	-	(156)	(1,372)	-	**(1,372)**
Gross block as at 31 March 2021	**2,355**	**39**	**2,394**	**20,716**	**345**	**21,061**
Accumulated depreciation as at 1 April 2020	771	19	790	6,785	169	**6,954**
Charge for the year	484	8	492	4,257	67	**4,324**
Disposal	(156)	-	(156)	(1,372)	-	**(1,372)**
Accumulated depreciation as at 31 March 2021	**1,099**	**27**	**1,126**	**9,670**	**236**	**9,906**
Net block as at 31 March 2021	**1,256**	**12**	**1,268**	**11,046**	**109**	**11,155**

The changes in the carrying value for the year ended 31 March 2020

	Computers	Office Equipment	Total
	(TRY)	(TRY)	(TRY)
Gross block as at 1 April 2019	1,645	30	1,675
Additions	201	9	210
Gross block as at 31 March 2020	**1,846**	**39**	**1,885**
Accumulated depreciation as at 1 April 2019	367	12	379
Charge for the year	404	7	411
Accumulated depreciation as at 31 March 2020	**771**	**19**	**790**
Net block as at 31 March 2020	**1,075**	**20**	**1,095**

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

3.2 Goodwill

	Goodwill on acquisition of business	Total	Total
		(TRY)	(₹)
Gross block as at 1 April 2020	1,800	1,800	15,832
Gross block as at 31 March 2021	**1,800**	**1,800**	**15,832**
Net Block as at 31 March 2021	**1,800**	**1,800**	**15,832**

The changes in the carrying value for the year ended 31 March 2020

	Goodwill on acquisition of business	Total
		(TRY)
Gross block as at 1 April 2019	**-**	**-**
Additions	**1,800**	**1,800**
Gross block as at 31 March 2020	**1,800**	**1,800**
Net Block as at 31 March 2020	**1,800**	**1,800**

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the cash generating units (CGU) , which benefit from the synergies of the acquisition.

Goodwill is tested annually on March 31, for impairment, or sooner whenever there is an indication that goodwill may be impaired. Impairment is recognized, when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The estimated value-in-use of this CGU is based on the future cash flow forecasts for 5 years & then on perpetuity on the basis of certain assumptions which include revenue growth, earnings before interest and taxes, taxes, capital outflow and working capital requirement. The assumptions are taken on the basis of past trends and management estimates and judgement. Future cash flows are discounted with "Weighted Average Cost of Capital". The key assumptions are as follows:

	As at 31 March 2021	As at 31 March 2020
Growth rate (%)	1% to 5%	1% to 5%
Terminal growth rate (%)	1%	1%
Discount rate (%)	11%	9%

As at 31 March 2021 and 31 March 2020 the estimated recoverable amount of the CGU exceeded its carrying amount and accordingly, no impairment was recognized. An analysis of the sensitivity of the computation to a change in key assumptions based on reasonable probability did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

3.3 Other Intangible Assets

The changes in the carrying value for the year ended 31 March 2021

	Software	Customer Relationship	Total	Software	Customer Relationship	Total
	(TRY)	(TRY)	(TRY)	(₹)	(₹)	(₹)
Gross block as at 1 April 2020	88	811	**899**	772	7,137	**7,909**
Disposal	(64)	-	**(64)**	(565)	-	(565)
Gross block as at 31 March 2021	**24**	**811**	**835**	**207**	**7,137**	**7,344**
Accumulated depreciation as at 1 April 2020	61	62	**123**	539	545	1,084
Charge for the year	22	140	**162**	191	1,234	1,425
Disposal	(64)	-	**(64)**	(565)	-	(565)
Accumulated depreciation as at 31 March 2021	**19**	**202**	**221**	**165**	**1,779**	**1,944**
Net block as at 31 March 2021	**5**	**609**	**614**	**42**	**5,358**	**5,400**

The changes in the carrying value for the year ended 31 March 2020

	Software	Customer Relationship	Total
	(TRY)	(TRY)	(TRY)
Gross block as at 1 April 2019	**64**	**-**	**64**
Additions	24	811	**836**
Gross block as at 31 March 2020	**88**	**811**	**899**
Accumulated depreciation as at 1 April 2019	**39**	**-**	**39**
Charge for the year	22	62	**84**
Accumulated depreciation as at 31 March 2020	**61**	**62**	**123**
Net block as at 31 March 2020	**27**	**749**	**776**

HCL Istanbul Bilisim Teknolojileri Limited Sirketi

Notes to special purpose financial statements for the year ended 31 March 2021

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

3.4 Financial Assets - Others

	As at		
	31 March 2021	31 March 2020	31 March 2021
	(TRY)	(TRY)	(₹)
Non- Current			
Carried at amortized cost			
Finance lease receivables	873	354	7,677
	873	**354**	**7,677**
Current			
Carried at amortized cost			
Security deposits- Lease	18	14	161
Finance lease receivables	512	328	4,501
Unbilled receivables	248	57	2,183
Unbilled receivables-related parties (Refer Note 3.24)	74	1,765	646
	852	**2,164**	**7,491**

3.5 Other non- current assets

		As at	
	31 March 2021	31 March 2020	31 March 2021
	(TRY)	(TRY)	(₹)
Unsecured considered good unless otherwise stated			
Deferred Contract Cost	1	1	6
	1	**1**	**6**

3.6 Inventories

		As at	
	31 March 2021	31 March 2020	31 March 2021
	(TRY)	(TRY)	(₹)
Stock in trade	258	352	2,268
	258	**352**	**2,268**

3.7 Trade Receivable

		As at	
	31 March 2021	31 March 2020	31 March 2021
	(TRY)	(TRY)	(₹)
Unsecured, considered good (refer note below)	8,807	12,046	77,460
Trade receivables - credit impaired	263	1,603	2,313
	9,070	**13,649**	**79,773**
Impairment allowance for bad and doubtful debts	(633)	(2,790)	(5,566)
	8,437	**10,859**	**74,207**

Note:-

1. Includes receivables from related parties amounting to TRY 1,920 (31 March 2020, TRY 2,386) (Refer Note 3.24)

HCL Istanbul Bilisim Teknolojileri Limited Sirketi
Notes to special purpose financial statements for the year ended 31 March 2021
(All amounts in thousands except share data and as stated otherwise)

3.8 Cash and cash equivalent

		As at	
	31 March 2021	31 March 2020	31 March 2021
	(TRY)	(TRY)	(₹)
Balance with banks			
-in current accounts	1,568	6,972	13,792
	1,568	**6,972**	**13,792**

3.9 Other current assets

		As at	
	31 March 2021	31 March 2020	31 March 2021
	(TRY)	(TRY)	(₹)
Unsecured , considered good			
Advances other than capital advances			
Advances to employees	-	118	-
Advances to suppliers	26	160	231
Others			
Prepaid expenses	421	284	3,702
Deferred contract cost - related parties (Refer Note 3.24)	4,078	-	35,869
Other Taxes Receivables	468	1,013	4,112
	4,993	**1,575**	**43,914**

3.10 Share Capital

	As at		
	31 March 2021	31 March 2020	31 March 2021
	(TRY)	(TRY)	(₹)
Authorized			
1,000 equity shares of TRY 100 each (Previous year 1,000 equity shares of TRY 100 each)	100	100	880
Issued, subscribed and fully paid up			
1,000 equity shares of TRY 100 each (Previous year 1,000 equity shares of TRY 100 each)	100	100	880

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

Terms/ rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of TRY 100/-. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the share holders will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity shares held by the shareholders.

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year

	As at			
	(TRY)		(TRY)	
	No. of shares	Amount (TRY)	No. of shares	Amount (TRY)
Number of shares at the beginning	1,000	100,000	1,000	100,000
Number of shares at the end	1,000	100,000	1,000	100,000

Shares held by holding Company:-

Out of equity shares issued by the Company, shares held by its holding Company are as below:-

	As at			
	(TRY)		(TRY)	
	No. of shares	Amount (TRY)	No. of shares	Amount (TRY)
Equity shares of TRY 100 each				
HCL Tehnologies UK limited, the holding company	1,000	100,000	1,000	100,000

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

Name of the shareholder	As at			
	(TRY)		(TRY)	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of TRY 100 each fully paid				
HCL Tehnologies UK limited, the holding company	1,000	100.00%	1,000	100.00%

As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

There are no bonus shares issued, no shares issued for consideration other than cash and no shares bought back immediately preceding the reporting date from date of incorporation.

Capital management

The primary objective of the Company's capital management is to support business continuity and growth of the company while maximizing the shareholder value. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are generally met through operating cash flows generated.

3.11 Other non-current liabilities

	As at		
	31 March 2021	31 March 2020	31 March 2021
	(TRY)	(TRY)	(₹)
Contract liabilities	18	-	156
	18	**-**	**156**

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

3.12 Trade payables

	As at		
	31 March 2021	**31 March 2020**	**31 March 2021**
	(TRY)	**(TRY)**	**(₹)**
Trade payables	1,037	472	9,116
Trade payables-related parties (Refer Note 3.24)	5,525	14,262	48,596
	6,562	**14,734**	**57,712**

3.13 Other financial liabilities

	As at		
	31 March 2021	**31 March 2020**	**31 March 2021**
	(TRY)	**(TRY)**	**(₹)**
Current			
Carried at amortized cost			
Deferred consideration	-	1,499	-
Accrued salaries and benefits			
Employee bonuses accrued	273	163	2,398
Pension Payable	4	2	32
Other employee cost	5	-	48
Others			
Liabilities for expenses	1,281	1,192	11,270
Liabilities for expenses-related parties (Refer Note 3.24)	1,854	-	16,309
	3,417	**2,856**	**30,057**

3.14 Other current liabilities

	As at		
	31 March 2021	**31 March 2020**	**31 March 2021**
	(TRY)	**(TRY)**	**(₹)**
Contract liabilities	3,011	1,934	26,484
Other advances			
Advances received from customers	366	209	3,223
Others			
Social security payable	91	63	796
Other taxes payable	60	417	530
	3,528	**2,623**	**31,033**

3.15 Provisions

	As at		
	31 March 2021	**31 March 2020**	**31 March 2021**
	(TRY)	**(TRY)**	**(₹)**
Current			
Provision for employee benefits			
Provision for leave benefits	115	73	1,012
	115	**73**	**1,012**

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

3.16 Revenue from operations

	Year ended 31 March 2021 (TRY)	Year ended 31 March 2020 (TRY)	Year ended 31 March 2021 (₹)
Sale of services	23,025	17,625	202,507
Sale of hardware and software	2,274	2,378	20,005
	25,299	**20,003**	**222,512**

Disaggregate Revenue Information

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

	Year ended		
	31 March 2021 (TRY)	31 March 2020 (TRY)	31 March 2021 (₹)
Contract type			
Fixed price	24,994	19,808	219,825
Time and material	305	195	2,687
Total	**25,299**	**20,003**	**222,512**
Geography wise			
America	85	716	749
Europe	13,494	11,164	118,678
India	263	2,984	2,315
Others	11,457	5,139	100,770
Total	**25,299**	**20,003**	**222,512**

Remaining performance obligations

As at 31 March 2021, the aggregate amount of transaction price allocated to remaining performance obligations as per the requirements of Ind AS 115 is TRY 9,709 (₹ 85,393) (31 March 2020: TRY 7,725). This is after exclusions of below:

a) Contracts for which we recognize revenues based on the right to invoice for services performed,

b) Variable consideration allocated entirely to a wholly unsatisfied performance obligation or to a wholly unsatisfied promise to transfer a distinct good or service that forms part of a single performance obligation, or

c) Variable consideration in the form of a sales-based or usage-based royalty promised in exchange for a license of intellectual property.

Contract balances

Contract assets : A contract asset is a right to consideration that is conditional upon factors other than the passage of time. Contract assets are recognized where there is excess of revenue over the billings. Revenue recognized but not billed to customers is classified either as contract assets or unbilled receivable in our special purpose balance sheet. Contract assets primarily relate to unbilled amounts on fixed price contracts using the cost to cost method of revenue recognition. Unbilled receivables represents contracts where right to consideration is unconditional (i.e. only the passage of time is required before the payment is due).

Contract liabilities : A contract liability arises when there is excess billing over the revenue recognized

The below table discloses the movement in balances of contract liabilities :

	Year ended		
	31 March 2021 (TRY)	31 March 2020 (TRY)	31 March 2021 (₹)
Balance as at beginning of the year	1,934	101	17,004
Additional amounts billed but not recognized as revenue	12,613	1,854	110,938.63
Deduction on account of revenues recognized during the year	(11,518)	(21)	(101,303)
Balance as at end of the year	3,029	1,934	26,640

Deferred contract cost : Deferred contract cost primarily represents the contract fulfilment cost and cost for obtaining the contract.

The below table discloses the movement in balance of deferred contract cost:

	Year ended		
	31 March 2021 (TRY)	31 March 2020 (TRY)	31 March 2021 (₹)
Balance as at beginning of the year	1	2	6
Additional amounts billed but not recognized as revenue	4,079	5,938	35,875
Deduction on account of revenues recognized during the year	(1)	(5,939)	(6)
Balance as at end of the year	**4,079**	**1**	**35,875**

The contracted price equals the revenue recognized since there is no reduction towards variable consideration component during the year.

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

3.17 Other income

	Year ended 31 March 2021 (TRY)	Year ended 31 March 2020 (TRY)	Year ended 31 March 2021 (₹)
Interest income	13	-	117
Exchange differences gain (net)	809	-	7,110
	822	**-**	**7,227**

3.18 Changes in inventories of traded goods

	Year ended 31 March 2021 (TRY)	Year ended 31 March 2020 (TRY)	Year ended 31 March 2021 (₹)
Opening stock	352	112	3,092
Less: Closing stock	(258)	(352)	(2,268)
	94	**(240)**	**824**

3.19 Employee benefits expense

	Year ended 31 March 2021 (TRY)	Year ended 31 March 2020 (TRY)	Year ended 31 March 2021 (₹)
Salaries, wages and bonus	2,819	2,125	24,792
Contribution to employee benefits	526	394	4,627
Leave encashment	44	33	386
Other welfare expenses	734	582	6,455
	4,123	**3,134**	**36,260**

3.20 Finance cost

	Year ended 31 March 2021 (TRY)	Year ended 31 March 2020 (TRY)	Year ended 31 March 2021 (₹)
Interest Expense	8	25	72
Bank charges	85	8	749
	93	**33**	**821**

3.21 Other expenses

	Year ended 31 March 2021 (TRY)	Year ended 31 March 2020 (TRY)	Year ended 31 March 2021 (₹)
Rent	93	70	821
Communication costs	5	2	40
Travel and conveyance	24	30	215
Legal and professional charges	656	294	5,769
Provision for doubtful debts/ bad debts written off	880	541	7,743
Exchange differences (net)	-	353	-
Rates & Taxes	4	1	32
Miscellaneous expenses	1	49	5
Insurance	-	5	-
	1,663	**1,345**	**14,625**

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

3.22 Income taxes

	Year ended 31 March 2021 (TRY)	Year ended 31 March 2020 (TRY)	Year ended 31 March 2021 (₹)
Income tax charged to statement of special purpose profit and loss			
Current income tax charge	436	685	3,832
Current income tax charge- Prior year	(26)	(43)	(228)
Deferred tax charge	90	(599)	794
Deferred tax charge - Prior year	-	149	-
Others	-	-	-
	500	**192**	**4,398**

The reconciliation between the provision for income tax and amount computed by applying the statutory income tax rate is as follows:

	Year ended 31 March 2021 (TRY)	Year ended 31 March 2020 (TRY)	Year ended 31 March 2021 (₹)
Profit before income tax	1,344	340	11,826
Statutory tax rate	22%	22%	22%
Expected tax expense	296	75	2,602
Adjustment in respect of Disallowed Expenses	230	11	2,023
Creation /(Reversal) of prior year provision	(26)	106	(227)
Others	-	-	-
Total taxes	**500**	**192**	**4,398**
Effective income tax rate	37%	56%	37%

Components of deferred tax assets and liabilities as on 31 March 2021 **Amount in (TRY)**

	Opening balance	Recognized in profit and loss	Recognised in / reclassified from OCI	Closing balance
Deferred tax assets				
GAAP Adjustments	889	(90)		799
Net deferred tax assets (A)	889	(90)	-	799

Components of deferred tax assets and liabilities as on 31 March 2021 **(Amount in ₹)**

	Opening balance	Recognized in profit and loss	Recognised in / reclassified from OCI	Closing balance
Deferred tax assets				
GAAP Adjustments	7,819	(791)	-	7,028
Net deferred tax assets (A)	7,819	(791)	-	7,028

Components of deferred tax assets and liabilities as on 31 March 2020 **Amount in (TRY)**

	Opening balance	Recognized in profit and loss	Recognised in / reclassified from OCI	Closing balance
Deferred tax assets				
GAAP Adjustments	439	450	-	889
Net deferred tax assets	439	450	-	889

3.23 Segment Reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available and whose their results are reviewed regularly by the chief operating decision maker (CODM), for allocation of resources and assessing performance.

The Company's ultimate holding company, HCL Technologies Limited's chief operating decision maker (CODM) reviews its results for allocation of resources and assessing performance by business segment comprising IT and Business Services, Engineering and R&D Services, and Products & Platforms segment. The ultimate Holding Company monitors the risk and returns of the Company's businesses on an entity level and evaluates the performance of the Company as one business segment. Hence there is only one reportable segment of the Company, as envisaged under Indian Accounting Standards -108 "Operating segments".

Revenue disagreegation as per geography is given in note 3.12

3.24 Related party transaction

a) Related parties where control exists

Holding company

HCL Technologies UK limited

Ultimate Holding company

HCL Technologies limted

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

Ultimate holding company

HCL Technologies limited, India

Holding company

HCL Technologies UK limited

Fellow Subsidiary

HCL Guatemala, Sociedad A
HCL Technologies Corporat Services Pvt Ltd
Hcl (Newzealand) Limited
Hcl Axon Malaysia Sdn Bhd
HCL Ireland Information s
HCL Tech. Finland Oy
HCL Technologies Middle East
Hcl America Inc.
HCL Axon (Pty) Ltd
HCLBrazilTecnologia da In
HCL Technologies Germany Gmbh
HCL Tech. Italy S.p.A.
Hcl Technologies Mexico
HCL Singapore Pte Limited
HCL Axon Solutions Shanghai
HCL Technologies Colombia
HCLT Philippines Inc
HCL Technologies B.V.
HCL Tech. Belgium BVBA
Hcl Australia Services Pty Ltd
HCL Technologies South Africa
HCL GmbH
HCL Hungary Kft
HCL Technologies Vietnam
C3i Europe Eood
Latin America Costa Rica
HCL Japan Limited
Filial Española De Hcl Sl
HCLTechnologies Chile SPA
HCL ARGENTINA S.A.
Axon Solutions (BPO NI Di
State Street HCL Services
Hcl Italy S.R.L.
HCL Technologies Czech Republic
HCL Tech Norway AS
HCL Hong Kong SAR Limited
HCL Axon Solutions (Shang
HCL Technologies (Shangha
HCL T Lanka Pvt Ltd
HCL Technologies Middle E
HCLTechnologies Sweden AB
Pt. Hclt Indonesia
HCL Technologies Bulgaria
HCL Technologies Lithuani
HCL Technologies Taiwan L
HCL T Lanka Pvt Ltd
HCL Technologies Thailand
HCL Technologies Romania
Hcl Great Britain Ltd.
HCL EAS Limited
HCL Technologies S.A.
Hcl Axon Tech. Inc - Sd
HCL Technologies S.A.
HCL America Solutions Inc
Hcl Technologies Austria
HCL (Netherlands) B.V.
HCL Tech.Solutions Gmbh
HCL Technologies Greece S
HCL Technologies France
Hcl Axon Malaysia Sdn Bhd
HCL Axon Solutions (Shanghai)
Hcl Axon Technologies Inc
Hcl Poland Sp.Z O.O.
Axon Solutions Ltd
Point to Point Products Ltd
HCL Tech Denmark ApS

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

c) Transactions with related parties during the ordinary course of business **(TRY)**

	Ultimate Holding company		Holding company		Fellow subsidiaries	
	Year ended		Year ended		Year ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Outsourcing costs	11,111	7,627	425	158	2,748	3,409
Marketing Costs	-	677	-	-	-	-
Insurance Costs	-	5	-	-	-	-
Revenue	532	2,984	363	419	2,596	2,143
Purchases	-	-	-	-	-	11

(₹)

	Ultimate Holding company	Holding company	Fellow subsidiaries
	Year ended		
	31 March 2021	31 March 2021	31 March 2021
Outsourcing costs	97,722	3,738	24,166
Revenue	4,679	3,193	22,829

Material related party transactions	Year ended	Year ended	Year ended
	31 March 2021	31 March 2020	31 March 2021
	(TRY)	(TRY)	(₹)
Outsourcing costs			
HCL Technologies Ltd	9,109	4,759	80,116

d) Outstanding balances of related parties as at 31 March 21 **(TRY)**

	Ultimate Holding company		Holding company		Fellow subsidiaries	
	As at		As at		As at	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Trade Payable	3,836	9,949	80	264	1,609	4,049
Liability For Expense	1,732	-	-	-	122	-
Contract Cost	4,078	-	-	-	-	-
Unbilled Receivables	12	1,761	-	-	62	4
Trade Receivables	574	1,389	104	-	1,242	997

(₹)

	Ultimate Holding company	Holding company	Fellow subsidiaries
	Year ended		
	31 March 2021	31 March 2021	31 March 2021
Trade Payable	33,737	708	14,151
Liability For Expense	15,238	-	1,071
Contract Cost	35,869	-	-
Unbilled Receivables	103	-	543
Trade Receivables	5,046	919	10,921

3.25 Capital and other commitments

	As at		
	31 March 2021	31 March 2020	31 March 2021
	(TRY)	(TRY)	(₹)
Capital and other commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	48	99	420
	48	**99**	**420**

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

3.26 Earnings per equity share (EPS)

Particulars	Year ended 31 March 2021 (TRY)	Year ended 31 March 2020 (TRY)	Year ended 31 March 2020 (₹)
Net Profit as per statement of special purpose profit and loss for computation of EPS	844	148	7,428
Weighted average number of equity shares outstanding in calculating- Basic	1,000	1,000	1,000
Weighted average number of equity shares outstanding in calculating- Dilutive	1,239	1,000	1,239
Nominal value of equity shares	100	100	100
Profit per equity share			
Basic	0.84	0.15	7.43
Diluted	0.68	0.15	5.99

3.27 Lease liabilities

The Company's significant leasing arrangements are in respect of operating leases for office spaces. The aggregate lease rental expense recognized in the statement of special purpose profit and loss for the year amounts to TRY 93 (31 March, 20 TRY 70).

The recognition of lease liabilities is as follows:

	(TRY)	(₹)
Additions	76	666
	76	666

The following table presents a maturity analysis of expected undiscounted cash flows for lease liabilities as on 31 March 2021:

	(TRY)	(₹)
Within one year	36	317
One to two years	29	254
Two to three years	14	128
Total lease payments	**79**	**699**
Imputed interest	(3)	(33)
Total lease liabilities	**76**	**666**

3.28 Financial Instruments

(a) Financial assets and liabilities

The carrying value of financial instruments by categories as at 31 March 2021 is as follows:

	Amortized Cost (TRY)	Total Carrying Value (TRY)	Total Carrying Value (₹)
Financial Assets			
Trade Receivables	8,437	8,437	74,207
Cash and Cash Equivalents	1,568	1,568	13,792
Others (refer note 3.4)	1,725	1,725	15,168
Total	11,730	11,730	103,167
Financial Liabilities			
Trade Payables	6,562	6,562	57,712
Lease liabilities	76	76	666
Others (refer note 3.13)	3,417	3,417	30,057
Total	10,055	10,055	88,435

The carrying value of financial instruments by categories as at 31 March 2020 is as follows:

	As at 31 March 2020 Total Carrying Value (TRY)
Financial Assets	
Trade Receivables	10,859
Cash and Cash Equivalents	6,972
Others (refer note 3.4)	2,518
Total	20,349
Financial Liabilities	
Trade Payables	14,734
Others (refer note 3.13)	2,856
Total	17,590

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

(b) Financial risk management

The Company is exposed to market risk, credit risk and liquidity risk which may impact the fair value of its financial instruments. The Company has a risk management policy to manage & mitigate these risks.

The Company's risk management policy aims to reduce volatility in special purpose financial statements while maintaining balance between providing predictability in the Company's business plan along with reasonable participation in market movement.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk and interest rate risk. The Company is primarily exposed to fluctuation in foreign currency exchange rates.

(i) Foreign currency risk

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

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

Appreciation / depreciation of 10% in respective foreign currencies with respect to functional currency of the Company would result in decrease / increase in the Company's profit before tax by approximately TRY 129 (INR 1,137)for the year ended 31 March 2021.

The rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 10% against the respective functional currencies of the Company and its branches. The sensitivity analysis presented above may not be representative of the actual change.

Non-derivative foreign currency exposure as of 31 March 2021 and 31 March 2020 in major currencies is as below:

	Financial assets		Financial liabilities		Financial assets	Financial liabilities
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2021
	(TRY)	(TRY)	(TRY)	(TRY)	(₹)	(₹)
USD/TRY	521	14,322	128	10,469	4,578	1,125
EUR/TRY	20	342	28	665	176	249
GBP/TRY	-	7	-	1,200	-	-
AED/TRY	-	-	246	1,722	-	2,162

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's investments are primarily in fixed rate interest bearing investments. Hence the Company is not significantly exposed to interest rate risk.

Credit risk

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

	As at		
	31 March 2021	31 March 2020	31 March 2021
	(TRY)	(TRY)	(₹)
Balance at the beginning of the year	2,790	2,249	24,541
Additional provision during the year	(2,157)	541	(18,975)
Balance at the end of the year	**633**	**2,790**	**5,566**

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with financial liabilities. The investment philosophy of the Company is capital preservation and liquidity in preference to returns. The Company consistently generates sufficient cash flows from operations and has access to multiple sources of funding to meet the financial obligations and maintain adequate liquidity for use.

Maturity profile of the Company's financial liabilities based on contractual payments is as below:

	Year 1 (Current)	Year 2	Year 3	Year 4-5 and thereafter	Total
	(TRY)	(TRY)	(TRY)	(TRY)	(TRY)
As at 31 March 2021					
Trade payables	6,562	-	-	-	6,562
Lease liabilities	36	29	14	-	79
Other financial liabilities	3,417	-	-	-	3,417
Total	10,015	29	14	-	10,058
As at 31 March 2020					
Trade payables	14,734	-	-	-	14,734
Other financial liabilities	2,856	-	-	-	2,856
Total	17,590	-	-	-	17,590

	Year 1 (Current)	Year 2	Year 3	Year 4-5 and thereafter	Total
	(₹)	(₹)	(₹)	(₹)	(₹)
As at 31 March 2021					
Trade payables	57,712	-	-	-	57,712
Lease liabilities	317	254	128	-	699
Other financial liabilities	30,057	-	-	-	30,057
Total	88,086	254	128	-	88,468

3.29 Subsequent event

The Company has evaluated all the subsequent events through July 30, 2021, which is the date on which these special purpose financial statements were issued, and no events have occurred from the balance sheet date through that date except for matters that have already been considered in the financial statements.

4. The Company has presented its special purpose financial statements in " TRY in thousands" and accordingly, amounts less than TRY 0.50 thousands are rounded off to zero.

As per our report of even date

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

Anurag Maheshwary

Anurag Maheshwary
Partner
Membership Number: 506533

Gurugram, India
Date: July 30, 2021

For and on behalf of the Board of Director
of HCL Istanbul Bilisim Teknolojileri Limited Sirketi

Sridharan S

Sundaram Sridharan
Director

Date: July 30, 2021