

# **STATESTREET HCL SERVICES (INDIA) PRIVATE LIMITED**

Financial Statements

For the year ended 31 March 2023 and 2022

# B S R & Co. LLP

Chartered Accountants

Building No. 10, 12th Floor, Tower-C,  
DLF Cyber City, Phase - II,  
Gurugram - 122 002, India  
Tel: +91 124 719 1000  
Fax: +91 124 235 8613

## Independent Auditor's Report

### To the Members of Statestreet HCL Services (India) Private Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Statestreet HCL Services (India) Private Limited (the "Company") which comprise the balance sheet as at 31 March 2023, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

#### Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's directors' report, but does not include the financial statements and auditor's report(s) thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Management and Board of Directors are responsible for the matters stated in Section

Registered Office:

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

## Independent Auditor's Report (*Continued*)

### Statestreet HCL Services (India) Private Limited

134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

#### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope

## Independent Auditor's Report (*Continued*)

### Statestreet HCL Services (India) Private Limited

and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors as on 01 April 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its financial statements - Refer Note 2.20 to the financial statements.
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- d (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 2.32 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 2.32 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the



**Independent Auditor's Report (Continued)**  
**Statestreet HCL Services (India) Private Limited**

understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The Company has neither declared nor paid any dividend during the year.
- f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.
- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:
- In our opinion and according to the information and explanations given to us, the Company is not a public company. Accordingly, the provisions of Section 197 of the Act are not applicable to the Company. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No.:101248W/W-100022

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**Vimal Chauhan**

*Partner*

Place: Gurugram

Date: 28 June 2023

Membership No.: 511230

ICAI UDIN:23511230BGZTTI7745

**Annexure A to the Independent Auditor's Report on the Financial Statements of Statestreet HCL Services (India) Private Limited for the year ended 31 March 2023**

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 3 years. In accordance with this programme, certain property, plant and equipment were verified during the financial year ended 31 March 2022. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company is a service company, primarily rendering Business Process Outsourcing services. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the financial year ended 31 March 2023. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the financial year ended 31 March 2023. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and

**Annexure A to the Independent Auditor's Report on the Financial Statements of Statestreet HCL Services (India) Private Limited for the year ended 31 March 2023 (Continued)**

Value added tax during the financial year ended 31 March 2023 since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Income-Tax which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (Rs. in Lakhs)*	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	15	Financial year 2013-14	Income Tax Appellate Tribunal-Delhi
Income Tax Act, 1961	Income Tax	1,058	Financial year 2015-16	Income Tax Appellate Tribunal-Delhi
Income Tax Act, 1961	Income Tax	1,558	Financial year 2016-17	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	2,273	Financial year 2017-18	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	224	Financial year 2018-19	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	1,403	Financial year 2019-20	Commissioner of Income Tax (Appeals)

\*Amount represents amount demanded in demand orders and excludes interest and penalty as may be applicable thereon. Total amount deposited under protest in respect of Income Tax is INR 208 lakhs.

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the

**Annexure A to the Independent Auditor's Report on the Financial Statements of Statestreet HCL Services (India) Private Limited for the year ended 31 March 2023 (Continued)**

Income Tax Act, 1961 as income during the financial year ended 31 March 2023.

- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the financial year ended 31 March 2023. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the financial year ended 31 March 2023. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the financial year ended 31 March 2023 on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the financial year ended 31 March 2023. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) Based on the information and explanations provided to us, the company does not have a vigil mechanism and is not required to have a vigil mechanism as per the Act.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) The Company is a private limited company and accordingly the requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its

**Annexure A to the Independent Auditor's Report on the Financial Statements of Statestreet HCL Services (India) Private Limited for the year ended 31 March 2023 (Continued)**

business.

- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
  - (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
  - (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
  - (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the financial year ended 31 March 2023. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly,

B S R & Co. LLP

**Annexure A to the Independent Auditor's Report on the Financial Statements  
of Statestreet HCL Services (India) Private Limited for the year ended 31  
March 2023 (Continued)**

clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No.:101248W/W-100022

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**Vimal Chauhan**

*Partner*

Place: Gurugram

Date: 28 June 2023

Membership No.: 511230

ICAI UDIN:23511230BGZTTI7745

**Annexure B to the Independent Auditor's Report on the financial statements of Statestreet HCL Services (India) Private Limited for the year ended 31 March 2023**

**Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

**(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

**Opinion**

We have audited the internal financial controls with reference to financial statements of Statestreet HCL Services (India) Private Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

**Management's and Board of Directors' Responsibilities for Internal Financial Controls**

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

**Meaning of Internal Financial Controls with Reference to Financial Statements**

A company's internal financial controls with reference to financial statements is a process designed to



**Annexure B to the Independent Auditor's Report on the financial statements of Statestreet HCL Services (India) Private Limited for the year ended 31 March 2023 (Continued)**

provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No.:101248W/W-100022

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**Vimal Chauhan**

*Partner*

Place: Gurugram

Date: 28 June 2023

Membership No.: 511230

ICAI UDIN:23511230BGZTTI7745

## Statestreet HCL Services (India) Private Limited

## Balance Sheet

(All amounts in lakhs of ₹ except share data and as stated otherwise)

	Note No.	As at 31 March 2023	As at 31 March 2022
<b>I. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	2.1	3,884	4,787
(b) Capital work in progress	2.2	3	3
(c) Right-of-use asset	2.22	6,572	7,920
(d) Goodwill and other intangible assets	2.3	1,050	1,050
(e) Financial assets			
(i) Others	2.4	1,219	1,286
(f) Deferred tax assets (net)	2.20	4,754	3,859
(g) Other non-current assets	2.5	2,949	5,603
<b>Total non-current assets</b>		<b>20,431</b>	<b>24,508</b>
<b>(2) Current assets</b>			
<b>(a) Financial assets</b>			
(i) Trade receivables			
Billed	2.6	6,623	9,059
Unbilled	2.6	16,882	11,902
(ii) Cash and cash equivalents	2.7(a)	5,922	5,969
(iii) Other bank balances	2.7(b)	33,560	18,399
(iii) Others	2.4	1,329	1,982
(b) Other current assets	2.8	3,923	5,046
<b>Total current assets</b>		<b>68,239</b>	<b>52,357</b>
<b>TOTAL ASSETS</b>		<b>88,670</b>	<b>76,865</b>
<b>II. EQUITY</b>			
(a) Equity share capital	2.9	3,937	3,937
(b) Other equity		64,667	54,523
<b>TOTAL EQUITY</b>		<b>68,604</b>	<b>58,460</b>
<b>III. LIABILITIES</b>			
<b>(1) Non-current liabilities</b>			
<b>(a) Financial liabilities</b>			
(i) Lease liabilities	2.22	6,006	7,412
(ii) Others	2.12	12	11
(b) Provisions	2.10	1,558	2,030
<b>Total non-current liabilities</b>		<b>7,576</b>	<b>9,453</b>

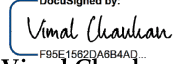
	Note No.	As at 31 March 2023	As at 31 March 2022
<b>III. LIABILITIES (continued)</b>			
<b>(2) Current liabilities</b>			
(a) Financial liabilities			
(i) Lease liabilities	2.22	2,311	2,212
(ii) Trade payables- billed	2.11		
1. Dues of micro enterprises and small enterprises	2.28	8	10
2. Dues of creditors other than micro enterprises and small enterprises		2,644	1,652
Unbilled & accruals		1,757	943
(iii) Others	2.12	2,211	2,227
(b) Contract liabilities	2.13	163	3
(c) Other current liabilities	2.14	422	475
(d) Provisions	2.10	641	506
(e) Current tax liabilities (net)		2,333	924
<b>Total current liabilities</b>		<b>12,490</b>	<b>8,952</b>
<b>TOTAL LIABILITIES</b>		<b>20,066</b>	<b>18,405</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>88,670</b>	<b>76,865</b>

**Summary of significant accounting policies**

1

The accompanying notes are an integral part of the financial statements

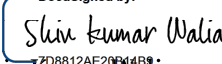
As per our report of even date attached

**For B S R & Co. LLP**  
**Chartered Accountants**  
Firm's Registration No.: 101248W/W-100022  
DocuSigned by:  
  
F95E1562DA8B4AD...  
**Vimal Chauhan**  
Partner  
Membership Number: 511230

Place: Gurugram, India  
Date: 28 June 2023

**For and on behalf of the Board of Directors**  
**of Statestreet HCL Services (India) Private Limited**

DocuSigned by:  
  
28DE573CE144AD...  
**Goutam Rungta**  
Director  
DIN: 08599656

DocuSigned by:  
  
708812AF20B14B8...  
**Shiv Kumar Walia**  
Director  
DIN: 0942224

DocuSigned by:  
  
**Shamsheer Singh**  
Company Secretary

Place: Noida(U.P.), India  
Date: 28 June 2023

**Statestreet HCL Services (India) Private Limited****Statement of Profit and Loss**

(All amounts in lakhs of ₹ except share data and as stated otherwise)

	Note No.	Year ended 31 March 2023	Year ended 31 March 2022
<b>I Revenue</b>			
Revenue from operations	2.15	76,526	59,524
Other income	2.16	2,766	1,511
<b>Total income</b>		<b>79,292</b>	<b>61,035</b>
<b>II Expenses</b>			
Employee benefits expense	2.17	47,117	42,541
Outsourcing costs		7,168	6,441
Finance costs	2.18	737	911
Depreciation and amortization expense	2.1, 2.22 & 2.3	3,976	4,019
Other expenses	2.19	8,505	2,815
<b>Total expenses</b>		<b>67,503</b>	<b>56,727</b>
<b>III Profit before tax</b>		<b>11,789</b>	<b>4,308</b>
<b>IV Tax expense</b>	2.20		
Current tax		3,120	2,188
Deferred tax (credit)/charge		(1,098)	1,523
<b>Total tax expense</b>		<b>2,022</b>	<b>3,711</b>
<b>V Profit for the year</b>		<b>9,767</b>	<b>597</b>
<b>VI Other comprehensive income</b>			
(i) Items that will not be reclassified to statement of profit and loss		580	110
(ii) Income tax on items that will not be reclassified to statement of profit and loss		(203)	(39)
<b>Total other comprehensive income, net of tax</b>		<b>377</b>	<b>71</b>
<b>VII Total comprehensive income for the year</b>		<b>10,144</b>	<b>668</b>
<b>Earnings per equity share of ₹ 10 each</b>	2.21		
Basic (in ₹)		24.81	1.52
Diluted (in ₹)		24.81	1.52

**Summary of significant accounting policies**

1

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

**For B S R & Co. LLP****Chartered Accountants**

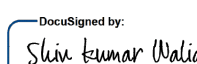
Firm's Registration No.: 101248W/W-100022

DocuSigned by:  
  
 F95E1562DA6B4AD...  
**Vimal Chauhan**  
 Partner  
 Membership Number: 511230

Place: Gurugram, India  
 Date: 28 June 2023

**For and on behalf of the Board of Directors****of Statestreet HCL Services (India) Private Limited**

DocuSigned by:  
  
 36DE578CE1444AB  
**Goutam Rungta**  
 Director  
 DIN: 08599656

DocuSigned by:  
  
 108E1245299147W  
**Shiv Kumar Walia**  
 Director  
 DIN: 0942224

DocuSigned by:  
  
 7E1E54C9F0B9ACC  
**Shamsheer Singh**  
 Company Secretary

Place: Noida(U.P.), India  
 Date: 28 June 2023

**Statestreet HCL Services (India) Private Limited****Statement of Changes in Equity**

(All amounts in lakhs of ₹ except share data and as stated otherwise)

	Equity share capital		Other Equity			Total Equity
	Number of shares	Share capital	Retained earnings	Special economic zone re-investment reserve	Total other equity	
Balance as at 1 April 2021	39,369,285	3,937	53,855	-	53,855	57,792
Profit for the year	-	-	597	-	597	597
Other comprehensive income	-	-	71	-	71	71
<b>Total comprehensive income for the year</b>	-	-	<b>668</b>	-	<b>668</b>	<b>668</b>
Balance as at 31 March 2022	39,369,285	3,937	54,523	-	54,523	58,460
Balance as at 1 April 2022	39,369,285	3,937	54,523	-	54,523	58,460
Profit for the year	-	-	9,767	-	9,767	9,767
Other comprehensive income	-	-	377	-	377	377
<b>Total comprehensive income for the year</b>	-	-	<b>10,144</b>	-	<b>10,144</b>	<b>10,144</b>
Transfer to special economic zone re-investment reserve	-	-	(5,028)	5,028	-	-
<b>Balance as at 31 March 2023</b>	<b>39,369,285</b>	<b>3,937</b>	<b>59,639</b>	<b>5,028</b>	<b>64,667</b>	<b>68,604</b>

**Special economic zone re-investment reserve :**

The Company has created special economic zone (SEZ) re-investment reserve out of profits of the eligible SEZ Units in terms of the specific provisions of Section 10AA(1) of the Income Tax Act, 1961 ("the Act"). The said reserve needs to be utilized by the Company for acquiring plant and machinery for the purposes of its business in the terms of Section 10AA (2) of the Act for availing tax benefit.

**Refer note 1 for summary of significant accounting policies**

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

For and on behalf of the Board of Directors

of Statestreet HCL Services (India) Private Limited

DocuSigned by:  
Vimal Chauhan  
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Partner

Membership Number: 511230

Place: Gurugram, India

Date: 28 June 2023

DocuSigned by:  
Goutam Kungta  
36DE579CE1444AB...

Director

DIN: 08599656

DocuSigned by:  
Shiv Kumar Walia  
7D8812AE20B1489...

Director

DIN: 0942224

DocuSigned by:  
Shamsher Singh  
7FDE540ECCDB4CC...

Company Secretary

Place: Noida(U.P.), India

Date: 28 June 2023

**Statestreet HCL Services (India) Private Limited****Statement of Cash flows**

(All amounts in lakhs of ₹ except share data and as stated otherwise)

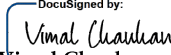
	Year ended 31 March 2023	Year ended 31 March 2022
<b>A. Cash flows from operating activities</b>		
Profit before tax	11,789	4,308
<b>Adjustment for:</b>		
Depreciation and amortization expense	3,976	4,019
Interest income	(2,007)	(1,134)
Interest expense	737	910
Loss on sale of property, plant and equipment (net)	36	-
Share based payments to employees	1	11
Provision for doubtful debts/ bad debts written off	9	6
	<b>14,541</b>	<b>8,120</b>
<b>Net change in</b>		
Trade receivables	(2,552)	(5,520)
Other financial assets and other assets	5,027	2,003
Trade payables	1,803	(106)
Other financial liabilities, contract liabilities, provisions and other liabilities	336	(4,327)
<b>Cash generated from operations</b>	<b>19,155</b>	<b>170</b>
Income taxes paid (net of refunds)	(1,526)	(487)
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>17,629</b>	<b>(317)</b>
<b>B. Cash flows from investing activities</b>		
Investments in bank deposits	(39,160)	(46,298)
Proceeds from bank deposits on maturity	23,999	46,698
Purchase of property, plant and equipment	(775)	(992)
Interest received	1,466	1,095
Income taxes paid	(196)	(220)
<b>Net cash flow (used in)/from investing activities (B)</b>	<b>(14,666)</b>	<b>283</b>
<b>C. Cash flows from financing activities</b>		
Payment of lease liabilities including interest	(3,010)	(2,815)
<b>Net cash flow used in financing activities (C)</b>	<b>(3,010)</b>	<b>(2,815)</b>
Net decrease in cash and cash equivalents and other bank balances (A+B+C)	(47)	(2,849)
Cash and cash equivalents and other bank balances at the beginning of the year	5,969	8,818
<b>Cash and cash equivalents and other bank balances at the end of the year as per Note 2.7(a)</b>	<b>5,922</b>	<b>5,969</b>

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

**For B S R & Co. LLP****Chartered Accountants**

Firm's Registration No.: 101248W/W-100022

DocuSigned by:  
  
**Vimal Chauhan**

Partner

Membership Number: 511230

Place: Gurugram, India

Date: 28 June 2023

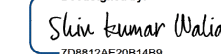
**For and on behalf of the Board of Directors****of Statestreet HCL Services (India) Private Limited**

DocuSigned by:  
  
**Goutam Rungta**

Director

DIN: 08599656

DocuSigned by:  
  
**Shamsheer Singh**  
 Company Secretary

DocuSigned by:  
  
**Shiv Kumar Walia**

Director

DIN: 0942224

Place: Noida(U.P.), India

Date: 28 June 2023

**Statestreet HCL Services (India) Private Limited**  
**Notes to financial statements for the year ended 31 March 2023**  
 (All amounts in lakhs of ₹ except share data and as stated otherwise)

**ORGANIZATION AND NATURE OF OPERATIONS**

Statestreet HCL Services (India) Private Limited (hereinafter referred to as “the Company”) is primarily engaged in delivering business process outsourcing services to its client from its financial services vertical. The Company was incorporated under the provisions of the Companies Act applicable in India on January 6, 2012, having its registered office at 806, Siddharth, 96, Nehru Place, New Delhi- 110019. The immediate holding company is State Street HCL Holdings (UK) Limited.

The financial statements for the year ended 31 March 2023 were approved and authorized for issue by the Board of Directors on 28 June 2023.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of preparation**

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

These 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:

- a) Certain financial assets and liabilities measured at fair value (refer to the accounting policy regarding financial instruments).
- b) Defined benefit plans.

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous year except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy.

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

The Company uses the Indian Rupee (‘₹’) as its reporting currency. All amounts are presented in lakh of ‘rounded to whole number and amounts less than ` 0.50 lakh are presented as “-”.

**(b) Use of estimates**

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

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

- i. Recognition of income and deferred taxes, refer note 1(h) and note 2.20
- ii. Key actuarial assumptions for measurement of future obligations under employee benefit plans, refer note 1(m) and note 2.24
- iii. Useful lives of property, plant and equipment, refer note 1(i)



**Statestreet HCL Services (India) Private Limited**  
**Notes to financial statements for the year ended 31 March 2023**  
 (All amounts in lakhs of ₹ except share data and as stated otherwise)

- iv. Lives of intangible assets, refer note 1(j)
- v. Key assumptions used for impairment of goodwill, refer note 1(l) and note 2.3
- vi. Identification of leases and measurement of lease liabilities and right of use assets, refer note 1(k)
- vii. Provisions and contingent liabilities, refer note 1(p) and note 2.27.

**(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. 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 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 identifiable 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 identifiable assets acquired.

**(d) Foreign currency and translation**

The financial statements of the Company are presented in Indian Rupee (₹) which is also the Company's functional currency.

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date of the transaction. Foreign-currency denominated monetary assets and liabilities are translated to the relevant functional currency at exchange rates in effect at the balance sheet date. Exchange differences arising on settlement or translation of monetary items are recognized in the statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the initial transaction. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined.

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

**(e) Fair value measurement**

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

The guidance 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

**Statestreet HCL Services (India) Private Limited****Notes to financial statements for the year ended 31 March 2023**

(All amounts in lakhs of ₹ except share data and as stated otherwise)

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. The 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.

**(f) Revenue recognition**

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

***Business process outsourcing services***

Revenue from business process outsourcing services is derived from both time based and unit-price 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.

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. A contract liability arises when there is excess billing over the revenue recognized.

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.

Revenues are shown net of taxes and applicable discounts and allowances, if any.

**Statestreet HCL Services (India) Private Limited**  
**Notes to financial statements for the year ended 31 March 2023**  
 (All amounts in lakhs of ₹ except share data and as stated otherwise)

**(g) Other income**

Interest on the deployment of surplus funds is recognized using the time-proportion method, based on interest rates implicit in the transaction.

Other income mainly comprises interest income on bank and other deposits, other interest income recognized using the effective interest method, profit on sale of property, plant and equipment's, mutual fund and net foreign exchange gains.

**(h) Income taxes**

Income tax expense comprises current and deferred income tax.

Income tax expense is recognized in the statement of profit and loss. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Provision for income tax includes the impact of provisions established for uncertain income tax positions.

Deferred tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred taxes which originate during the tax holiday period are reversed after the tax holiday period. For this purpose, reversal of timing differences is determined using first in first out method.

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 tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

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

The effect of changes in tax rates on deferred tax assets and liabilities is recognized as income or expense in the year that includes the enactment or the substantive enactment date. A deferred 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.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognized subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognized in the statement of profit and loss.

**(i) 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 asset as a whole.

Expenses on existing property, plant and equipment, including day-to-day repairs, maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the year during which such expenses are incurred. Gains or losses arising from derecognition of assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

**Statestreet HCL Services (India) Private Limited**  
**Notes to financial statements for the year ended 31 March 2023**  
 (All amounts in lakhs of ₹ except share data and as stated otherwise)

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

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

Management's estimates of the useful lives of various assets for computing depreciation are as follows:

<u>Asset description</u>	<u>Asset life (in years)</u>
Plant and equipment (including air conditioners, electrical installations)	10
Office equipment	5
Computers	4-5
Furniture and fixtures	7

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

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

**(j) Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. 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 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 profit and loss when the asset is derecognized.

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

<u>Asset description</u>	<u>Asset life (in years)</u>
Software	3

**(k) Leases**

A lease is a contract that contains right to control the use of an identified asset for a period of time in exchange for a consideration.

**Statestreet HCL Services (India) Private Limited**  
**Notes to financial statements for the year ended 31 March 2023**  
 (All amounts in lakhs of ₹ except share data and as stated otherwise)

*Company as a lessee*

Company is lessee in case of office space. 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 re measurement 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 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 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.

**(l) Impairment of non-financial assets**

*Goodwill*

Goodwill is tested for impairment on an annual basis and 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 Company'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 profit and loss is not reversed in the subsequent period.

*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

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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 recognized under the head depreciation and amortization expenses in the statement of profit and loss is measured by the amount by which the carrying value of the asset exceeds the estimated recoverable amount of the asset.

**(m) Retirement and other employee benefits**

- i. **Provident fund:** Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for each period of service rendered by the employees. The company has no obligation, other than the contribution payable to the provident fund.
- ii. **Gratuity liability:** The Company provides for gratuity, a defined benefit plan (the “Gratuity Plan”) covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee’s base salary and the tenure of employment (subject to a maximum of ₹ 20 lakhs per employee). The liability is actuarially determined (using the projected unit credit method) at the end of each year. Actuarial gains/losses are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the year in which they occur.

In respect to certain employees in India, the Company contributes towards gratuity liabilities to the Gratuity Fund Trust. Trustees of the Company administer contributions made to the Trust and contributions are invested in a scheme with Life Insurance Corporation of India as permitted by law.

- iii. **Compensated absences:** The employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating in nature. The employees can carry forward up to the specified portion of the unutilized accumulated compensated absences and utilize it in future periods or receive cash at retirement or termination of employment. The expected cost of accumulating compensated absences is determined by actuarial valuation (using the projected unit credit method) based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the balance sheet date. The expense on non-accumulating compensated absences is recognized in the statement of profit and loss in the year in which the absences occur. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.
- iv. **State Plans:** The contribution to State Plans, a defined contribution plan namely Employee State Insurance Fund and Employees’ Pension Scheme for the Company are charged to the statement of profit and loss as and when employees render related services.

**(n) 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. However, trade receivables that do not contain a significant financing component are measured at a transaction price.

**Cash and cash equivalents and other bank balances**

Cash and cash equivalents and other bank balances in the balance sheet comprise cash in banks and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

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***Financial assets at amortized cost***

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

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

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

***Financial assets at Fair Value through Other Comprehensive Income (OCI)***

A financial asset is classified and measured at fair value through OCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent solely payments of principal and interest.

Financial assets included within the OCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from OCI to statement of profit and loss.

***Financial asset at Fair Value through Profit and Loss***

Any financial asset, which does not meet the criteria for categorization at amortized cost or at fair value through other comprehensive income, is classified at fair value through profit and loss. Financial instruments included in the fair value through profit and loss category are measured at fair value with all changes recognized in the statement of profit and loss.

***De recognition 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 the statement of profit and loss.

**ii. Financial liabilities**

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

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

***Financial liabilities at amortized cost***

The company's financial liabilities at amortized cost are initially recognized at, net of transaction costs and includes trade payables.



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

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

***De recognition***

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

***(o) Earnings per share (EPS)***

Basic 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 outstanding during the year.

Diluted EPS amounts are computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares). Dilutive potential equity shares are deemed converted as at the beginning of the year, unless issued at a later date. Dilutive potential equity shares are determined independently for each year presented.

***(p) Provisions and contingent liabilities***

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.

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

***(q) Nature and purpose of reserves***

**Special economic zone re-investment reserve**

The Company has created special economic zone (SEZ) re-investment reserve out of profits of the eligible SEZ Units in terms of the specific provisions of Section 10AA(1) of the Income Tax Act, 1961 ("the Act"). The said reserve needs to be utilized by the Company for acquiring plant and machinery for the purposes of its business in the terms of Section 10AA (2) of the Act for availing tax benefit.

***(r) Adoption of new accounting principles***

**Onerous contracts – cost of fulfilling a contract (amendment to Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets)**

The amendment clarified that the 'costs of fulfilling a contract' comprise both the incremental costs and allocation of other direct costs. The Company has adopted this amendment effective 1 April 2022 and the adoption did not have any material impact on its financial statements.

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**(s) Recently issued accounting pronouncements**

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

***Disclosure of Accounting Policies (Amendments to Ind AS 1)***

The amendments intend to assist in deciding which accounting policies to disclose in the financial statements. The amendments to Ind AS 1 require entities to disclose their material accounting policies rather than their significant accounting policies. The amendments provide guidance on how to apply the concept of materiality to accounting policy disclosures. The Group does not expect this amendment to have any significant impact in its consolidated financial statements.

***Definition of Accounting Estimate (Amendments to Ind AS 8)***

The amendments distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its consolidated financial statements.

***Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (Amendments to Ind AS 12 Income Taxes)***

The amendments specify how to account for deferred tax on transactions such as leases. The amendments clarify that lease transactions give rise to equal and offsetting temporary differences and financial statements should reflect the future tax impacts of these transactions through recognizing deferred tax. The Group is evaluating the impact, if any, in its consolidated financial statements.

## Statestreet HCL Services (India) Private Limited

## Notes to financial statements for the year ended 31 March 2023

(All amounts in lakhs of ₹ except share data and as stated otherwise)

## 2. Notes to financial statements

## 2.1 Property, plant and equipment

## The changes in the carrying value for the year ended 31 March 2023

	Plant and equipment	Office Equipment	Computers	Furniture and fixture	Total
Gross block as at 1 April 2022	2,356	793	6,805	2,718	12,672
Additions	4	25	739	7	775
Disposals	97	8	748	26	879
Gross block as at 31 March 2023	2,263	810	6,796	2,699	12,568
Accumulated depreciation as at 1 April 2022	1,401	577	4,211	1,696	7,885
Charge for the year	273	90	1,034	245	1,642
Deduction/other adjustments	72	8	737	26	843
Accumulated depreciation as at 31 March 2023	1,602	659	4,508	1,915	8,684
Net Block as at 31 March 2023	661	151	2,288	784	3,884

## The changes in the carrying value for the year ended 31 March 2022

	Plant and equipment	Office Equipment	Computers	Furniture and fixture	Total
Gross block as at 1 April 2021	1,720	786	6,529	2,063	11,098
Additions	636	7	277	655	1,575
Disposals	-	-	1	-	1
Gross block as at 31 March 2022	2,356	793	6,805	2,718	12,672
Accumulated depreciation as at 1 April 2021	1,146	485	3,250	1,417	6,298
Charge for the year	255	92	961	279	1,587
Accumulated depreciation as at 31 March 2022	1,401	577	4,211	1,696	7,885
Net block as at 31 March 2022	955	216	2,594	1,022	4,787

## 2.2 Capital work in progress (CWIP)

The following table presents the ageing schedule for Capital-work-in progress:

	Amount in CWIP for a period of		
	Less than 1 year	1-2 years	Total
As at 31 March 2023			
Projects in progress	3	-	3
	3	-	3
As at 31 March 2022			
Projects in progress	3	-	3
	3	-	3

## 2.3 Goodwill and other intangible assets

## The changes in the carrying value for the year ended 31 March 2023

	Goodwill on acquisition of business	Software	Total
Gross block as at 1 April 2022	1,050	35	1,085
Additions	-	-	-
Disposals	-	-	-
Gross block as at 31 March 2023	1,050	35	1,085
Accumulated amortization as at 1 April 2022	-	35	35
Amortization (including impairment)	-	-	-
Deduction/other adjustments	-	-	-
Accumulated amortization as at 31 March 2023	-	35	35
Net Block as at 31 March 2023	1,050	-	1,050

**Statestreet HCL Services (India) Private Limited****Notes to financial statements for the year ended 31 March 2023**

(All amounts in lakhs of ₹ except share data and as stated otherwise)

**2.3 Goodwill and intangible assets (continued)****The changes in the carrying value for the year ended 31 March 2022**

	<b>Goodwill on acquisition of business</b>	<b>Software</b>	<b>Total</b>
<b>Gross block as at 1 April 2021</b>	1,050	35	1,085
Additions	-	-	-
Disposals	-	-	-
<b>Gross block as at 31 March 2022</b>	<b>1,050</b>	<b>35</b>	<b>1,085</b>
<b>Accumulated amortization as at 1 April 2021</b>	-	35	35
Amortization (including impairment)	-	-	-
Deduction/other adjustments	-	-	-
<b>Accumulated amortization as at 31 March 2022</b>	-	<b>35</b>	<b>35</b>
<b>Net Block as at 31 March 2022</b>	<b>1,050</b>	-	<b>1,050</b>

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 31 March for impairment, or sooner whenever there is an indication that goodwill may be impaired. Impairment is recognized, when the carrying amount of a cash generating units (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 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:

	<b>As at</b>	
	<b>31 March 2023</b>	<b>31 March 2022</b>
Average Growth rate (average of next 5 years)(%)	5.00	5.00
Terminal revenue growth rate (%)	5.00	5.00
Pre tax Discount rate (%)	12.50	12.50

As at 31 March 2023 and 31 March 2022 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.

**2.4 Other financial assets**

	<b>As at</b>	
	<b>31 March 2023</b>	<b>31 March 2022</b>
<b>Non - current</b>		
<b>Carried at amortized cost</b>		
Bank deposits with more than 12 months maturity	15	15
Security deposits	1,204	1,271
	<b>1,219</b>	<b>1,286</b>
<b>Current</b>		
<b>Carried at amortized cost</b>		
Interest receivable	693	152
Other receivables	425	1,819
Other receivables - related party (refer note 2.25)	5	-
Security deposits	224	20
Less: Provision for doubtful advances	(18)	(9)
	<b>1,329</b>	<b>1,982</b>

**Statestreet HCL Services (India) Private Limited**  
**Notes to financial statements for the year ended 31 March 2023**

(All amounts in lakhs of ₹ except share data and as stated otherwise)

**2.5 Other non- current assets**

	As at	
	31 March 2023	31 March 2022
<b>Unsecured considered good unless otherwise stated</b>		
Capital advances	-	1
Deferred contract cost-related party (refer note 2.15 and 2.25)	2,948	5,546
Prepaid expenses	1	56
	<b>2,949</b>	<b>5,603</b>

**2.6 Trade receivables**

	As at	
	31 March 2023	31 March 2022
Billed- Unsecured, considered good - related party (refer note 2.25)	6,623	9,059
Unbilled receivables - related party (refer note 2.25)	16,882	11,902
	<b>23,505</b>	<b>20,961</b>

Trade receivables - current	Not Due	Outstanding as at 31 March 2023 from the due date of payment					
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed – considered good	4,678	1,945	-	-	-	-	6,623
Unbilled receivables							16,882
							<b>23,505</b>

Trade receivables - current	Not Due	Outstanding as at 31 March 2022 from the due date of payment					
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed – considered good	-	-	9,059	-	-	-	9,059
Unbilled receivables							11,902
							<b>20,961</b>

**2.7 Cash and cash equivalents and other bank balances**

	As at	
	31 March 2023	31 March 2022
<b>(a) Cash and cash equivalents</b>		
Balance with banks	722	470
Deposits with original maturity of less than 3 months	5,200	5,499
	<b>5,922</b>	<b>5,969</b>
<b>(b) Other bank balances</b>		
Deposits with remaining maturity up to 12 months	33,560	18,399
	<b>39,482</b>	<b>24,368</b>

**2.8 Other current assets**

	As at	
	31 March 2023	31 March 2022
<b>Unsecured , considered good</b>		
Advances other than capital advances		
Security deposits	4	1
Advances to employees	34	22
Advances to suppliers	7	7
Others		
Prepaid expenses	715	796
Goods and service tax receivable	916	956
Deferred contract cost-related party (refer note 2.15 and 2.25)	2,247	3,255
Other receivables - related party (refer note 2.25)	-	9
	<b>3,923</b>	<b>5,046</b>
<b>Unsecured , considered doubtful</b>		
Advances other than capital advances		
Advances to employees	480	278
Less: Provision for doubtful advances	(480)	(278)
	-	-
	<b>3,923</b>	<b>5,046</b>

**Statestreet HCL Services (India) Private Limited****Notes to financial statements for the year ended 31 March 2023**

(All amounts in lakhs of ₹ except share data and as stated otherwise)

**2.9 Share capital**

	As at	
	31 March 2023	31 March 2022
<b>Authorized</b> 50,000,000 (31 March 2022: 50,000,000) equity shares of ₹ 10 each	5,000	5,000
<b>Issued, subscribed and fully paid up</b> 39,369,285 (31 March 2022: 39,369,285) equity shares of ₹ 10 each	3,937	3,937

**Terms / rights attached to equity shares**

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share.

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

**Reconciliation of the number of shares outstanding at the beginning and at the end of the financial year**

	As at			
	31 March 2023		31 March 2022	
	No. of shares	Amount	No. of shares	Amount
Number of shares at the beginning	39,369,285	3,937	39,369,285	3,937
Number of shares at the end	39,369,285	3,937	39,369,285	3,937

**Shares held by holding company:**

	As at	
	31 March 2023	31 March 2022
<b>State Street HCL Holding (UK) Limited, the holding company</b> 39,369,285 (31 March 2022 : 39,369,285) equity shares of ₹ 10 each	3,937	3,937

**Details of shareholders/promoters holding more than 5 % shares in the company**

Name of the shareholder	As at			
	31 March 2023		31 March 2022	
	No. of shares	% holding in the class	No. of shares	% holding in the class
<b>Equity shares of ₹ 10 each fully paid</b> State Street HCL Holding (UK) Limited, the holding company and its nominee shareholders	39,369,285	100%	39,369,285	100%

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.

HCL Technologies Limited (HCL) and State Street International Holdings (State Street) has formulated a joint venture where State Street has 51% equity interest and HCL has equity interest of 49% along with 100% dividend rights. The shareholders' agreement provides specific rights to the two shareholders. HCL through the operating committee controls the relevant activities of Statestreet HCL Holdings (UK) Limited ("Statestreet UK") which is holding Company of Statestreet HCL Services India Private Limited ("Company"). HCL has exposure to returns through the 100% dividend rights of the Statestreet UK and has ability to influence that returns. Therefore, HCL is having control over the Company.

For the period of five years immediately preceding the date at which the Balance Sheet is prepared, there were no bonus shares issued, no share issued for consideration other than cash and no shares bought back during the year.

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(All amounts in lakhs of ₹ except share data and as stated otherwise)

**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.

**2.10 Provisions**

	As at	
	31 March 2023	31 March 2022
<b>Non - Current</b>		
Provision for employee benefits		
Provision for gratuity (refer note 2.24)	1,015	1,321
Provision for leave benefits	543	709
	<b>1,558</b>	<b>2,030</b>
<b>Current</b>		
Provision for employee benefits		
Provision for gratuity (refer note 2.24)	302	195
Provision for leave benefits	339	311
	<b>641</b>	<b>506</b>

**2.11 Trade payables**

	As at	
	31 March 2023	31 March 2022
Trade payables	585	177
Trade payables-related party (refer note 2.25)	2,067	1,485
	<b>2,652</b>	<b>1,662</b>
Unbilled and accruals	1,753	941
Unbilled and accruals-related party(refer note 2.25)	4	2
	<b>1,757</b>	<b>943</b>
	<b>4,409</b>	<b>2,605</b>

Particulars	Not Due	Outstanding as at 31 March 2023 from the due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME-undisputed	8	-	-	-	-	8
(ii) Others-undisputed	576	1,987	-	-	81	2,644
	<b>584</b>	<b>1,987</b>	<b>-</b>	<b>-</b>	<b>81</b>	<b>2,652</b>
Unbilled and accruals	-	-	-	-	-	1,757
	<b>584</b>	<b>1,987</b>	<b>-</b>	<b>-</b>	<b>81</b>	<b>4,409</b>

Particulars	Not Due	Outstanding as at 31 March 2022 from the due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	10	-	-	-	10
(ii) Others	-	1,568	-	31	53	1,652
	-	<b>1,578</b>	<b>-</b>	<b>31</b>	<b>53</b>	<b>1,662</b>
Unbilled and accruals	-	-	-	-	-	943
	-	<b>1,578</b>	<b>-</b>	<b>31</b>	<b>53</b>	<b>2,605</b>



**Statestreet HCL Services (India) Private Limited****Notes to financial statements for the year ended 31 March 2023**

(All amounts in lakhs of ₹ except share data and as stated otherwise)

**2.12 Other financial liabilities**

	As at	
	31 March 2023	31 March 2022
<b>Non - current</b>		
<b>Carried at amortized cost</b>		
Other payables- related party (refer note below and note 2.25)	12	11
	<b>12</b>	<b>11</b>
<b>Current</b>		
<b>Carried at amortized cost</b>		
Accrued salaries and benefits		
Employee bonuses accrued	356	536
Other employee costs	1,833	1,670
Others		
Capital accounts payables	22	21
	<b>2,211</b>	<b>2,227</b>

Note: Amount payable to HCL Technologies Limited againts RSUs awarded to employees of the Company.

**2.13 Contract liabilities**

	As at	
	31 March 2023	31 March 2022
<b>Current</b>		
Contract liabilities- related party (refer note 2.15 and 2.25)	163	3
	<b>163</b>	<b>3</b>

**2.14 Other current liabilities**

	As at	
	31 March 2023	31 March 2022
Travel provision (net of advances)	-	102
Withholding and other taxes payable	422	373
	<b>422</b>	<b>475</b>

**2.15 Revenue from operations**

	Year ended	
	31 March 2023	31 March 2022
Sale of services	76,526	59,524
	<b>76,526</b>	<b>59,524</b>

**Disaggregate Revenue Information**

The disaggregated revenue from contracts with the customers for the year ended 31 March 2023 and 31 March 2022.

	Year ended	
	31 March 2023	31 March 2022
America	27,414	25,618
Europe	49,112	33,906
	<b>76,526</b>	<b>59,524</b>

During the year ended 31 March 2023, 2 customers ( 31 March 2022, 2 customers) represented 100% revenue of the Company.

**Remaining performance obligations**

Remaining performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc).As at 31 March 2023, the aggregate amount of transaction price allocated to remaining performance obligation as per the requirements of Ind AS 115 was Rs.64,280 lakhs (31 March 2022, Nil) out of which, approximately 33% (31 March 2022, Nil% ) is expected to be recognized as revenues within one year and the balance beyond one year. These amounts are not adjusted for variable consideration allocated to remaining performance obligation, which are not probable. These amounts also exclude contracts for which we recognize revenues based on the right to invoice for services performed and contracts where consideration in the form of a sales-based or usage-based royalty promised in exchange for a license of intellectual property.

**Statestreet HCL Services (India) Private Limited****Notes to financial statements for the year ended 31 March 2023**

(All amounts in lakhs of ₹ except share data and as stated otherwise)

**2.15 Revenue from operations (continued)**

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

The below table discloses the significant movement in contract liabilities :

	Year ended	
	31 March 2023	31 March 2022
Balance as at the beginning of the year	3	3,168
Additional amounts billed but not recognized as revenue	163	-
Deduction on account of revenues recognized during the year	(3)	(3,165)
<b>Balance as at the end of the year</b>	<b>163</b>	<b>3</b>

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

The below table discloses the significant movement in deferred contract cost :

	Year ended	
	31 March 2023	31 March 2022
Balance as at the beginning of the year	8,801	11,337
Additional cost capitalised during the year	-	65
Deduction on account of cost amortised during the year	(3,606)	(2,601)
<b>Balance as at the end of the year</b>	<b>5,195</b>	<b>8,801</b>

Reconciliation of revenue recognised with the contracted price is as follows:

	Year ended	
	31 March 2023	31 March 2022
Contracted price	76,526	59,520
Reduction towards variable consideration components	-	4
<b>Balance as at 31 March 2023</b>	<b>76,526</b>	<b>59,524</b>

The reduction towards variable consideration comprises of volume discounts, service level credits, etc.

**2.16 Other income**

	Year ended	
	31 March 2023	31 March 2022
Interest income		
- On bank and other deposits	1,960	1,134
- On income tax refund	47	-
- Other	89	-
Exchange differences (net)	594	375
Miscellaneous income	76	2
	<b>2,766</b>	<b>1,511</b>

**2.17 Employee benefits expense**

	Year ended	
	31 March 2023	31 March 2022
Salaries, wages and bonus	45,011	40,680
Contribution to provident fund and other employee funds (Refer note 2.24)	1,853	1,699
Share based payments to employees (refer note below)	1	11
Staff welfare expenses	252	151
	<b>47,117</b>	<b>42,541</b>

Note : During the year, HCL Technologies Limited ('HCLT'), the ultimate Parent Company instituted the Restricted Stock Unit Plan 2021('RSU Plan') to provide equity-based incentives to all eligible employees of HCLT and its subsidiaries. Each RSU granted under the plan entitles the holder to one equity share of HCLT at an exercise price, which is approved by the Nomination and Remuneration Committee of HCLT.

"Share based payments to employees" represents reimbursement of cost to HCLT, towards RSUs granted by HCLT to the employees of the Company. The fair value of these RSUs are determined using the Black-Scholes Model for RSUs with time and non-market performance-based vesting conditions and Monte Carlo simulation model is used for RSUs with market performance based vesting conditions.

**2.18 Finance cost**

	Year ended	
	31 March 2023	31 March 2022
Bank charges	-	1
Interest		
-on lease liabilities	727	910
-on direct taxes	10	-
	<b>737</b>	<b>911</b>

**Statestreet HCL Services (India) Private Limited****Notes to financial statements for the year ended 31 March 2023**

(All amounts in lakhs of ₹ except share data and as stated otherwise)

**2.19 Other expenses**

	Year ended	
	31 March 2023	31 March 2022
Rent (refer note 2.22)	7	19
Power and fuel	931	441
Insurance	41	17
Repairs and maintenance		
- Plant and machinery	27	32
- Buildings	790	807
- Others	1,019	452
Communication costs	299	181
Travel and conveyance	4,362	23
Legal and professional charges	11	79
Software license fee	138	70
Rates and taxes	8	5
Recruitment, training and development	540	250
Expenditure toward corporate social responsibility activities (refer note 2.30)	142	212
Provision for doubtful debts/ bad debts written off	9	6
Loss on sale/disposal of property, plant and equipments	36	-
Miscellaneous expenses	145	221
	<b>8,505</b>	<b>2,815</b>

**2.20 Income taxes**

	Year ended	
	31 March 2023	31 March 2022
<b>Income tax charged to statement of profit and loss</b>		
Current income tax charge	3,120	2,188
Deferred tax charge (credit)	(1,098)	1,523
	<b>2,022</b>	<b>3,711</b>
<b>Income tax charged to other comprehensive income</b>		
Expense on re-measurements of defined benefit plans	203	39
	<b>203</b>	<b>39</b>

The reconciliation between the Company's provision for income tax and amount computed by applying the statutory income tax rate in India is as follows:

	Year ended	
	31 March 2023	31 March 2022
Profit before income tax	11,789	4,308
Statutory tax rate in India	34.94%	34.94%
<b>Expected tax expense</b>	<b>4,120</b>	<b>1,505</b>
Non-taxable export income	(2,168)	(1,662)
Provision for transfer pricing adjustment	846	1,492
Reversal of prior year provision	(13)	(446)
Permanent differences	38	193
Reversal of MAT credit due to expected non utilisation	-	3,619
Deduction u/s 80JJAA	(874)	(1,026)
Others	73	36
<b>Total taxes</b>	<b>2,022</b>	<b>3,711</b>
Effective income tax rate	17.15%	86.15%

**Statestreet HCL Services (India) Private Limited****Notes to financial statements for the year ended 31 March 2023**

(All amounts in lakhs of ₹ except share data and as stated otherwise)

**2.20 Income taxes (Continued)**

The company has benefited from certain tax incentives that the Government of India has provided for the units situated in Special Economic Zones (SEZs) under the Special Economic Zone Act, 2005, which began providing services on or after 1 April 2005. The eligible units are eligible for a deduction of 100% of profits or gains derived from the export of services for the first five years from commencement of operation and 50% of such profits and gains for a further five years. Certain tax benefits are also available for a further period of five years subject to meeting reinvestment conditions. The aforesaid tax benefits will not be available to units setup after 31 March 2021.

The Company is subject to Minimum Alternate Tax (MAT) on its book profits, which gives rise to future economic benefits in the form of adjustment of future income tax liability. MAT paid for a year can be set-off against the normal tax liability within fifteen subsequent years, expiring between the years 2024 to 2038.

Corporate taxpayers can opt for a specified lower tax rate in lieu of current applicable tax rate subject to taxpayers not claiming any specified tax incentives including tax incentives available to special economic zone units and carryover of unutilized MAT credit ("new tax regime"). The Company will opt for new tax regime in the year in which new tax regime is beneficial to the company.

The Company has ongoing litigations with tax authorities that arises in the ordinary course of business. The possibility of any outflow in settlement of litigation is remote.

**Components of deferred tax assets and liabilities as on 31 March 2023**

	Opening balance	Recognized in profit and loss	Recognised in / reclassified from OCI	Closing balance
<b>Deferred tax assets</b>				
MAT credit entitlement	1,529	782	-	2,311
Accrued employee costs	944	(53)	-	891
Depreciation and amortization expense	372	99	-	471
Lease rentals	679	(11)	-	668
Others	464	281	(203)	542
<b>Gross deferred tax assets (A)</b>	<b>3,988</b>	<b>1,098</b>	<b>(203)</b>	<b>4,883</b>
<b>Deferred tax liabilities</b>				
Depreciation and amortization	129	-	-	129
<b>Gross deferred tax liabilities (B)</b>	<b>129</b>	<b>-</b>	<b>-</b>	<b>129</b>
<b>Net deferred tax assets (A-B)</b>	<b>3,859</b>	<b>1,098</b>	<b>(203)</b>	<b>4,754</b>

**Components of deferred tax assets and liabilities as on 31 March 2022**

	Opening balance	Recognized in profit and loss	Recognised in / reclassified from OCI	Closing balance
<b>Deferred tax assets</b>				
MAT credit entitlement	4,005	(2,476)	-	1,529
Accrued employee costs	799	184	(39)	944
Depreciation and amortization expense	-	372	-	372
Lease rentals	585	94	-	679
Others	161	303	-	464
<b>Gross deferred tax assets (A)</b>	<b>5,550</b>	<b>(1,523)</b>	<b>(39)</b>	<b>3,988</b>
<b>Deferred tax liabilities</b>				
Depreciation and amortization	129	-	-	129
<b>Gross deferred tax liabilities (B)</b>	<b>129</b>	<b>-</b>	<b>-</b>	<b>129</b>
<b>Net deferred tax assets (A-B)</b>	<b>5,421</b>	<b>(1,523)</b>	<b>(39)</b>	<b>3,859</b>

**Statestreet HCL Services (India) Private Limited****Notes to financial statements for the year ended 31 March 2023**

(All amounts in lakhs of ₹ except share data and as stated otherwise)

**2.21 Earnings per equity share**

The computation of earnings per share is as follows:

	Year ended	
	31 March 2023	31 March 2022
Net profit as per statement of profit and loss for computation of EPS	9,767	597
Weighted average number of equity shares outstanding in calculating Basic EPS and Diluted EPS	39,369,285	39,369,285
Nominal value of equity shares (in ₹)	10	10
Earnings per equity share (in ₹)		
- Basic	24.81	1.52
-Diluted	24.81	1.52

**2.22 Leases****(a) Company as a lessee**

The company's significant leasing arrangements are in respect of leases for office spaces.

The details of the right-of-use asset held by the company is as follows:

	Building
<b>Balance as at 1 April 2021</b>	10,354
Additions	17
Depreciation charge for the year	(2,432)
Derecognition	(19)
<b>Balance as at 31 March 2022</b>	<b>7,920</b>
<b>Balance as at 1 April 2022</b>	7,920
Additions	986
Depreciation charge for the year	(2,334)
Derecognition	-
<b>Balance as at 31 March 2023</b>	<b>6,572</b>

The reconciliation of lease liabilities is as follows:

	Year ended	
	31 March 2023	31 March 2022
<b>Balance as at beginning of the year</b>	9,624	11,532
Additions	976	17
Amounts recognized in statement of profit and loss as interest expense	727	910
Payment of lease liabilities	(3,010)	(2,815)
Derecognition	-	(20)
<b>Balance as at end of the year</b>	<b>8,317</b>	<b>9,624</b>

The lease rental expense relating to short-term leases recognized in the statement of profit and loss for the year amounted to ₹ 7 lakhs (31 March 2022, ₹ 19 lakhs).

**Statestreet HCL Services (India) Private Limited****Notes to financial statements for the year ended 31 March 2023**

(All amounts in lakhs of ₹ except share data and as stated otherwise)

**2.22 Leases (continued)**

The following table presents a maturity analysis of expected undiscounted cash flows for lease liabilities :

	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>
Within one year	2,877	2,903
One to two years	1,551	2,659
Two to three years	1,333	1,322
Three to five years	2,652	2,260
Thereafter	1,869	2,995
<b>Total lease payments</b>	<b>10,282</b>	<b>12,139</b>
Imputed interest	(1,965)	(2,515)
<b>Total lease liabilities</b>	<b>8,317</b>	<b>9,624</b>

Certain lease agreements include options to terminate or extend the leases. The lease agreements do not contain any material residual value guarantees or material restrictive covenants.

**2.23 Financial instruments****(a) Financial assets and liabilities**

The carrying value of financial instruments by categories as at 31 March 2023 is as follows:

	<b>Amortized cost</b>	<b>Total carrying value</b>
<b>Financial assets</b>		
Trade receivables (including unbilled)	23,504	23,504
Cash and cash equivalents and other bank balances	5,922	5,922
Others (refer note 2.4)	2,548	2,548
<b>Total</b>	<b>65,534</b>	<b>65,534</b>
<b>Financial liabilities</b>		
Lease liabilities	8,317	8,317
Trade payables (including accruals)	4,409	4,409
Others (refer note 2.12)	2,211	2,211
<b>Total</b>	<b>14,938</b>	<b>14,938</b>

The carrying value of financial instruments by categories as at 31 March 2022 is as follows:

	<b>Amortized cost</b>	<b>Total carrying value</b>
<b>Financial assets</b>		
Trade receivables (including unbilled)	20,961	20,961
Cash and cash equivalents and other bank balances	5,969	5,969
Others (refer note 2.4)	3,268	3,268
<b>Total</b>	<b>48,597</b>	<b>48,597</b>
<b>Financial liabilities</b>		
Lease liabilities	9,624	9,624
Trade payables (including accruals)	2,616	2,616
Others (refer note 2.12)	2,227	2,227
<b>Total</b>	<b>14,467</b>	<b>14,467</b>

**Statestreet HCL Services (India) Private Limited****Notes to financial statements for the year ended 31 March 2023**

(All amounts in lakhs of ₹ except share data and as stated otherwise)

**2.23 Financial instruments (continued)**

The Company assessed that fair value of cash and short-term deposits, trade receivables, trade payables and other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

**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 through various risk management procedures manages and mitigate this risk.

The Company's risk management procedures aim to reduce volatility in financial statements while maintaining balance between providing predictability in the Company's business plan along with reasonable participation in market

**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. The Company is primarily exposed to fluctuation in foreign currency exchange rates.

**Foreign Currency Risk**

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

The exchange rate risk primarily arises from assets and liabilities denominated in currencies other than the functional currency. A significant portion of the Company's revenue is in US Dollar while a large portion of costs are in Indian rupees. The fluctuation in exchange rates in respect to the Indian rupee may have potential impact on the statement of profit and loss and other comprehensive income and equity.

Appreciation / depreciation of 1% in respective foreign currencies with respect to functional currency of the Company would result in decrease / increase in the Company's profit before tax by approximately ₹ 215 lakhs ( 31 March 2022, 160 lakhs) for the year ended 31 March 2023.

The rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of the currency by 1% against the respective functional currency of the Company. The sensitivity analysis presented above may not be representative of the actual change.

Foreign currency exposure as of 31 March 2023 and 31 March 2022 in major currency is as below:

	Financial assets		Financial liabilities	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
USD / INR	22,940	16,694	777	667
GBP / INR	-	-	655	-

**Credit risk**

Financial instruments that potentially subject the Company to concentration of credit risk consist principally of cash and bank balances, trade receivables and unbilled receivables. The cash resources of the Company are invested with banks after an evaluation of the credit risk. By their nature, all such financial instruments involve risks, including the credit risk of non-performance by counterparties.

The customers of the Company are primarily corporations based in the United States of America and Europe and accordingly, trade receivables and unbilled receivables is concentrated in the respective countries. The Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of trade receivables and unbilled receivables.

**Statestreet HCL Services (India) Private Limited**  
**Notes to financial statements for the year ended 31 March 2023**

(All amounts in lakhs of ₹ except share data and as stated otherwise)

**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 & there after	Total
<b>As at 31 March 2023</b>					
Trade payables (excluding unbilled)	2,652	-	-	-	2,652
Lease liabilities	2,877	1,551	1,333	4,522	10,283
Other financial liabilities	2,211	-	-	-	2,211
<b>Total</b>	<b>7,740</b>	<b>1,551</b>	<b>1,333</b>	<b>4,522</b>	<b>15,147</b>
<b>As at 31 March 2022</b>					
Trade payables	1,662	-	-	-	1,662
Lease liabilities	2,903	2,659	1,322	5,255	12,139
Other financial liabilities	2,227	-	-	-	2,227
<b>Total</b>	<b>6,792</b>	<b>2,659</b>	<b>1,322</b>	<b>5,255</b>	<b>16,028</b>

**2.24 Employee benefits**

The Company has calculated the various benefits provided to employees as given below:

**A. Defined contribution plans and state plans**

Employer's contribution to Employees State Insurance

Employer's contribution to Employees Provident Fund

Employer's contribution to Employee Pension Scheme

During the year, the Company has recognized the following amounts in the statement of profit and loss :-

	Year ended	
	31 March 2023	31 March 2022
Employer's contribution to Employees State Insurance	175	160
Employer's contribution to Employees Provident Fund	805	713
Employer's contribution to Employee's Pension Scheme	873	826
<b>Total</b>	<b>1,853</b>	<b>1,699</b>

**B. Defined benefit plans**

**Gratuity**

**Statement of profit and loss**

	Year ended	
	31 March 2023	31 March 2022
Current Service cost	556	490
Interest cost (net)	93	73
<b>Net benefit expense</b>	<b>649</b>	<b>563</b>



**Statestreet HCL Services (India) Private Limited****Notes to financial statements for the year ended 31 March 2023**

(All amounts in lakhs of ₹ except share data and as stated otherwise)

**2.24 Employee benefits (continued)****Balance Sheet**

	As at	
	31 March 2023	31 March 2022
Defined benefit obligations	1,317	1,516
<b>Net plan liability</b>	<b>1,317</b>	<b>1,516</b>
Current defined benefit obligations	302	195
Non-current defined benefit obligations	1,015	1,321

Changes in present value of the defined benefit obligations are as follows:

	Year ended	
	31 March 2023	31 March 2022
Opening defined benefit obligations	1,516	1,197
Current service cost	556	490
Interest cost	93	73
<b>Re-measurement gains (losses) in OCI</b>		
Actuarial changes arising from changes in demographic assumptions	(164)	-
Actuarial changes arising from changes in financial assumptions	(131)	(46)
Experience adjustments	(285)	(64)
Benefits paid	(268)	(134)
<b>Closing defined benefit obligations</b>	<b>1,317</b>	<b>1,516</b>

The actuarial assumptions used in determining gratuity for the Company's plan are shown below:-

	As at	
	31 March 2023	31 March 2022
Discount rate	7.30%	6.55%
Estimated Rate of salary increases	6.50%	8.00%
Expected rate of return on assets	N.A.	N.A.

The estimates of future salary increases, considered in the actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Discount rate and future salary escalation rate are the key actuarial assumptions to which the defined benefit obligations are particularly sensitive. The following table summarizes the impact on defined benefit obligations as at 31 March 2023 arising due to an increase / decrease in key actuarial assumptions by 50 basis points:

	Discount rate		Salary escalation rate	
	As at		As at	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Impact of increase	(26)	(49)	28	51
Impact of decrease	28	52	(27)	(48)

The sensitivity analysis presented may not be representative of the actual change in the defined benefit obligations as sensitivities have been calculated to show the movement in defined benefit obligations in isolation and assuming there are no other changes in market conditions. There have been no changes from the previous years in the methods and assumptions used in preparing the sensitivity analysis.

**Statestreet HCL Services (India) Private Limited****Notes to financial statements for the year ended 31 March 2023**

(All amounts in lakhs of ₹ except share data and as stated otherwise)

**2.24 Employee benefits (continued)**

The defined benefit obligations are expected to mature after 31 March 2023 as follows:

<b>Year ending 31 March</b>	<b>Cash flows</b>
- 2024	302
- 2025	354
- 2026	430
- 2027	561
- 2028	568
- Thereafter	3,204

The weighted average duration of the payment of these cash flows is 5.8 years.

**2.25 Related party disclosures****a) Controlling entity**

HCL Technologies Limited ("HCL") and State Street International Holdings ("State Street") has formulated a joint venture where State Street has 51% equity interest and HCL has equity interest of 49% along with 100% dividend rights. The shareholders' agreement provides specific rights to the two shareholders. HCL through the operating committee controls the relevant activities of the Statestreet HCL Holdings (UK) Limited ("Statestreet UK") which is holding Company of Statestreet HCL Services India Private Limited ("Company"). HCL has exposure to returns through the 100% dividend rights of the Statestreet UK and has ability to influence that returns. Therefore, HCL is having control over the Company.

**b) Related parties with whom transactions have taken place during the year**

<b>Controlling entity</b>	HCL Technologies Limited
<b>Fellow subsidiaries</b>	HCL Investments (UK) Limited
<b>Fellow subsidiaries</b>	HCL Singapore Pte Limited
<b>Fellow subsidiaries</b>	HCL Technologies Corporate Services Limited
<b>Other (significant influence)</b>	HCL Avitas Private Limited
<b>Other (significant influence)</b>	State Street Bank and Trust Company

**c) Transactions with related parties during the year in the ordinary course of business:**

	<b>Controlling entity</b>		<b>Fellow subsidiary</b>		<b>Significant influence</b>	
	<b>Year ended</b>		<b>Year ended</b>		<b>Year ended</b>	
	<b>31 March 2023</b>	<b>31 March 2022</b>	<b>31 March 2023</b>	<b>31 March 2022</b>	<b>31 March 2023</b>	<b>31 March 2022</b>
Revenue from operations	-	-	49,112	33,911	27,414	25,613
Other expenses (refer below note)	6,668	5,572	-	-	24	-

Note: Other expenses include outsourcing costs, salary cost, power &amp; fuel and repair &amp; maintenance.

<b>Material related party transactions</b>	<b>Year ended</b>	<b>Year ended</b>
	<b>31 March 2023</b>	<b>31 March 2022</b>
<b>Revenue from operations</b>		
HCL Investment (UK) Limited	49,103	33,911
State Street Bank and Trust Company	27,414	25,613

**d) Outstanding balances with related parties**

<b>Outstanding balances</b>	<b>Controlling entity</b>		<b>Fellow subsidiary</b>		<b>Significant influence</b>	
	<b>As at</b>		<b>As at</b>		<b>As at</b>	
	<b>31 March 2023</b>	<b>31 March 2022</b>	<b>31 March 2023</b>	<b>31 March 2022</b>	<b>31 March 2023</b>	<b>31 March 2022</b>
Trade receivables, other financial assets, other non-current and current assets	6	46	16,257	16,792	12,442	12,934
Trade payables, other financial liabilities and other non-current liabilities	1,424	1,496	818	3	4	2

<b>Material outstanding balances with related parties</b>	<b>Year ended</b>	<b>Year ended</b>
	<b>31 March 2023</b>	<b>31 March 2022</b>
<b>Trade receivables, other financial assets, other non-current and current assets</b>		
HCL Investment (UK) Limited	16,254	16,792
State Street Bank and Trust Company	12,442	12,934

**Statestreet HCL Services (India) Private Limited****Notes to financial statements for the year ended 31 March 2023**

(All amounts in lakhs of ₹, except share data and as stated otherwise)

**2.26 Ratio**

Ratio	Numerator	Denominator	Units	Year ended		% Variance
				31 March 2023	31 March 2022	
Current ratio	Current assets	Current liabilities	Times	5.5	5.8	-6.5%
Return on equity ratio	Profit for the year	Average Shareholders' Equity	%	15.4%	1.0%	14.3%
Trade receivables turnover ratio	Net credit sales	Average account receivables	Times	3.4	3.3	5.3%
Trade payables turnover ratio	Net credit purchases (refer note 5 below)	Average Trade Payables	Times	4.5	3.5	28.6%
Net capital turnover ratio	Revenue from operations	Working capital (refer note below 6)	Times	1.4	1.4	0.1%
Net profit ratio	Profit for the year	Net sales	%	12.8%	1.0%	11.8%
Return on capital employed	Earning before interest and taxes	Capital employed (refer note 7 below)	%	14.6%	6.4%	8.3%
Return on investment - Unquoted	Income generated from invested funds	Time weighted average investments	%	5.7%	3.5%	2.2%

## Notes :

- (1) Total debts consists of borrowings and lease liabilities
- (2) Earning available for debt services = Profit for the year + depreciation, amortisation and impairment + interest + loss on sale of property, plant and equipments + Provision for doubtful debts + share based payment to employees + non cash charges
- (3) Debt service = Interest + payment for lease liabilities + principal repayments
- (4) Cost of goods sold includes purchase of stock in trade and change in inventories of stock in trade
- (5) Net credit purchase includes purchase of stock-in-trade, change in inventories of stock-in-trade, outsourcing costs and other expenses
- (6) Working capital = current assets - current liabilities
- (7) Capital employed = Tangible net worth includes acquired goodwill and other intangibles assets + total debt - deferred tax assets
- (8) Average is calculated based on simple average of opening and closing balances.

**Explanation where change in the ratio is more than 25%.****Trade payables turnover ratio**

Trade payables has improved due to timely payment to vendors.

**Statestreet HCL Services (India) Private Limited****Notes to financial statements for the year ended 31 March 2023**

(All amounts in lakhs of ₹ except share data and as stated otherwise)

**2.27 Commitments**

	As at	
	31 March 2023	31 March 2022
<b>Capital Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	257	142
	<b>257</b>	<b>142</b>

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the final rules are yet to be framed. The company will carry out an evaluation of the impact and record the same in the financial statements in the period in which the Code becomes effective and the related rules are published.

**2.28 Micro, Small and Medium Enterprises**

As per information available with the management, the dues payable to enterprises covered under “The Micro, Small and Medium Enterprises Development Act, 2006” are as follows:

	For the year ended 31 March 2023		For the year ended 31 March 2022	
	Principal	Interest	Principal	Interest
Amount due to vendors	8	-	10	-
Principal amount paid beyond the appointed date	-	-	-	-
Interest under normal credit terms -				
Accrued and unpaid during the year	-	-	-	-
Total interest payable -				
Accrued and unpaid during the year	-	-	-	-

This has been determined on the basis of responses received from vendors on specific confirmation sought by the Company.

**2.29 Auditor's remuneration**

	Year ended	
	31 March 2023	31 March 2022
Audit fees	6	2
Tax audit fees	2	1
<b>Total</b>	<b>8</b>	<b>3</b>

**Statestreet HCL Services (India) Private Limited****Notes to financial statements for the year ended 31 March 2023**

(All amounts in lakhs of ₹ except share data and as stated otherwise)

**2.30 Corporate social responsibility**

As required by Section 135 of the Companies Act, 2013, following shall be disclosed with regard to CSR activities:-

	Year ended	
	31 March 2023	31 March 2022
(i) amount required to be spent by the company during the year	142	212
(ii) amount of expenditure incurred		
a. Construction/acquisition of any assets	-	-
b. On purpose other than (a) above	142	212
(iii) shortfall at the end of the year	-	-
(iv) total of previous years shortfall	-	-
(v) reasons of shortfall	NA	NA
(vi) nature of CSR activities	Refer note below	
(vii) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per Accounting Standard,	NA	NA
(viii) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	NA	NA

Note: CSR activities includes Promoting sustainable health, nutrition and hygiene interventions.

**2.31 Segment reporting**

In the opinion of management company has only one business segment hence there are no reportable segments as envisaged in Ind AS 108 'Operating Segments' notified under section 133 of the Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rules 2014.

Revenue disaggregation as per geography is given in note 2.15.

**2.32** No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

**As per our report of even date****For B S R & Co. LLP****Chartered Accountants**

Firm's Registration No.: 101248W/W-100022

DocuSigned by:  
Vimal Chauhan  
F95E1562DA8B4AD...

**Vimal Chauhan**

Partner

Membership Number: 511230

Place: Gurugram, India

Date: 28 June 2023

**For and on behalf of the Board of Directors****of Statestreet HCL Services (India) Private Limited**

DocuSigned by:  
Goutam Rungta  
38DE578CE144AAB...

**Goutam Rungta**

Director

DIN: 08599656

DocuSigned by:  
Shiv Kumar Walia  
7D8812AE20B14B9...

**Shiv Kumar Walia**

Director

DIN: 0942224

DocuSigned by:  
S. Singh  
7EDE54C4ECCB4CC...

**Shamsher Singh**

Company Secretary

Place: Noida(U.P.), India

Date: 28 June 2023