HCL Technologies Estonia OÜ

Financial Statements

For the year ended 31st March 2023 and 31st March 2022

B S R & Co. LLP
Chartered Accountants

Building No. 10, 12th Floor, Tower-C,
DLF Cyber City, Phase-II,
Gurugram – 122 002, India

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Independent Auditor's Report

To the Board of Directors of HCL Technologies Estonia OU

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of HCL Technologies Estonia OU (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 the significant accounting policies and other explanatory information (collectively referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view 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') issued by the Institute of Chartered Accountants of India (ICAI). 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 ICAI together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

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

The Company's Management and Board of Directors are responsible for the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 ('the Act'). This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring 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 but not for the purpose of expressing opinion on whether the company has in place adequate internal financial controls with reference to financial statements and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements 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 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.

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

Registered Office:

14th Floor, Central B Wing and North C Wing,
Nesco IT Park 4. Nesco Center. Western

Other Matter-Restriction on Use

As explained in note 1(a), these financial statements are prepared for the use by the Company and the Ultimate Holding Company, HCL Technologies Limited, to comply with the requirements of the Act. These financial statements are not the statutory financial statements of the Company. As a result, these financial statements may not be suitable for another purpose. Our report must not be copied, disclosed, quoted, or referred to, in correspondence or discussion, in whole or in part to anyone other than the purpose for which it has been issued without our prior written consent.

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

Rakesh Dewan
Digitally signed by Rakesh Dewan
Date: 2023.06.09 21:14:21 +05'30'

Rakesh Dewan
Partner
Membership No. 092212
ICAI UDIN:23092212BGXMAB6843

Place: Gurugram, India
Date: 9th June, 2023

HCL Technologies Estonia OÜ
Balance Sheet as at 31 March 2023

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

	Note No.	As at 31 March 2023 (EUR)	As at 31 March 2022 (EUR)
I. ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	**2.1**	11	-
(b) Financial Assets			
(i) Others	**2.5**	66	209
(2) Current assets			
(a) Inventories	**2.2**	4	-
(b) Financial assets			
(i) Trade receivables			
Billed	**2.3**	104	139
Unbilled	**2.3**	48	33
(ii) Cash and cash equivalents and other bank balance	**2.4**	461	429
(iii) Others	**2.5**	68	118
(c) Other current assets	**2.6**	152	135
TOTAL ASSETS		**914**	**1,063**
II. EQUITY			
(a) Equity share capital	**2.7**	529	529
(b) Other Equity		56	8
TOTAL EQUITY		**585**	**537**
III. LIABILITIES			
(1) Non - current liabilities			
(a) Financial Liabilities			
(i) Others	**2.8**	26	-
(b) Contract liabilities	**2.9**	1	2
(2) Current liabilities			
(a) Financial liabilities			
(i) Trade payables			
Billed	**2.10**	105	349
Unbilled and accruals	**2.10**	25	35
(ii) Others	**2.8**	23	-
(b) Contract liabilities	**2.9**	144	134
(c) Other current liabilities	**2.11**	5	4
(d) Provisions	**2.12**	-	2
TOTAL EQUITY AND LIABILITIES		**914**	**1,063**
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
ICAI Firm Registration Number : 101248W/W-100022

For and on behalf of the Board of Directors
of HCL Technologies Estonia OÜ

Rakesh Dewan
Rakesh Dewan (Jun 9, 2023 17:54 GMT+5.5)

Bejoy George (Jun 9, 2023 16:28 GMT+5.5)

Rakesh Dewan
Partner
Membership Number: 092212

Shiv Walia
Director

Bejoy George
Director

Gurugram, India
Date: 9 June 2023

Date: 9 June 2023

HCL Technologies Estonia OÜ
Statement of Profit and Loss for the year ended 31 March 2023
(All amounts in thousands of Euro except share data and as stated otherwise)

		Note No.	Year ended 31 March 2023 (EUR)	Year ended 31 March 2022 (EUR)
I	**Revenue**			
	Revenue from operations	**2.13**	960	772
	Other income	**2.14**	8	7
	Total income		**968**	**779**
II	**Expenses**			
	Purchase of traded goods		160	-
	Changes in inventories of traded goods	**2.15**	(4)	-
	Employee benefits expense	**2.16**	168	179
	Finance costs	**2.17**	43	4
	Depreciation expense	**2.1**	0	-
	Outsourcing costs		522	534
	Other expenses	**2.18**	31	32
	Total expenses		**920**	**749**
III	**Profit before tax**		**48**	**30**
IV	**Tax expense**		-	-
V	**Profit for the year**		**48**	**30**
VI	**Total comprehensive income for the year**		**48**	**30**
	Earnings per equity share of EUR 1 each			
	Basic and Diluted	**2.20**	**0.09**	**0.06**
	Summary of significant accounting policies	**1**		

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Bejoy George (Jun 9, 2023 16:28 GMT+5.5)

Shiv Walia
Director

Bejoy George
Director

Date: 9 June 2023

HCL Technologies Estonia OÜ
Statement of Changes in Equity for the year ended 31 March 2023
(All amounts in thousands of Euro except share data and as stated otherwise)

Amount in EUR

	Equity share capital		Other Equity
	No. of Shares	**Share Capital**	
Balance as of April 1, 2021	528,920	529	(22)
Profit for the year	-	-	30
Total comprehensive income for the year	-	-	30
Balance as of March 31, 2022	**528,920**	**529**	**8**
Balance as of April 1, 2022	528,920	529	8
Profit for the year	-	-	48
Total comprehensive income for the year	-	-	48
Balance as of March 31, 2023	**528,920**	**529**	**56**

Summary of significant accounting policies (Note 1)
The accompanying notes are an integral part of the financial statements

As per our report of even date attached

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Director

Bejoy George
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Date: 9 June 2023

HCL Technologies Estonia OÜ
Cash flow statement for the year ended 31 March 2023
(All amounts in thousands of Euro except share data and as stated otherwise)

	Year ended 31 March 2023 (EUR)	Year ended 31 March 2022 (EUR)
A. Cash flows from operating activities		
Profit before tax	48	30
Adjustment for:		
Depreciation expenses	0	-
Interest expenses	39	1
	87	**31**
Net Change in		
Trade receivables (including unbilled)	21	218
Inventories	(4)	-
Other financial assets and current assets	176	52
Trade payables (including unbilled & accruals)	(255)	(289)
Provisions and other liabilities	57	(3)
Net cash flow from operating activities (A)	**82**	**9**
B. Cash flows from investing activities		
Purchase of property,plant and equipment.	(11)	-
Net cash flow used in investing activities (B)	**(11)**	**-**
C. Cash flows from financing activities		
Interest paid	(39)	(1)
Net cash flow used in financing activities (C)	**(39)**	**(1)**
Net increase in cash and cash equivalents (A+B+C)	32	8
Cash and cash equivalents at the beginning of the year	429	421
Cash and cash equivalents at the end of the year as per note 2.4	**461**	**429**

Summary of significant accounting policies (Note1)

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

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Shiv Walia
Director

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Director

Date: 9 June 2023

Company Overview

HCL Technologies Estonia OÜ (hereinafter referred to as 'Company') is a Business Transformation consultancy company aiming to provide medium and large size organizations with Business Transformation solutions that encompass all elements of Business Consulting, Solution Implementation and ongoing Application Management. The Company was incorporated on 8 June 2015 in Harju.

The financial statements for the year ended 31 March 2023 were approved and authorized for issue by the Board of Directors on 09 June 2023.

1. Significant Accounting Policies

a) Basis of preparation

The financial statements of the Company have been prepared in accordance with recognition and measurement principle laid down in Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Schedule III (Division II) to the Companies Act, 2013, as applicable, to the financial statements. The company is not domiciled in India and hence was not incorporated under Companies Act, 2013 or under any previous Company law in India. These financial statements have been prepared on the request of the Ultimate Holding Company to comply with the financial reporting requirement in India.

As the company is not domiciled in India and hence not registered under Companies Act, 2013, these financial statements have not been prepared to fully comply with the Companies Act, 2013, and do not reflect all the disclosures requirements of the Act.

These financial statements have been prepared under the historical cost convention on an accrual and going concern basis except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).
The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous year.

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

The functional currency of the company is European EURO (EUR). The Company has presented its financial statements in "EUR in thousands" and accordingly, amounts less than EUR 0.50 thousands are rounded off to "0".

b) Use of estimates

The preparation of financial statements in conformity with Ind AS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, costs, expenses and other comprehensive income (OCI) that are reported and disclosed in the financial statement 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.

Changes in estimates are reflected in the financial statements in the period in which the changes are made. Actual results could differ from those estimates.

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

i. Accounting for costs expected to be incurred to complete performance under fixed price projects and determination of stand-alone selling prices for each distinct performance obligation in respect of proprietary software products, refer note 1(d)
ii. Allowance for uncollectible accounts receivables, refer note 1(j)(i)

iii. Provisions and contingent liabilities, refer note 1(l) and note 1(m).

c) Fair value measurement

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

The guidance of fair value 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 a company to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The prescribed fair value hierarchy and related valuation methodologies are as follows:

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

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

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

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

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

ii. Income approach – Converting the future amounts based on market expectations to its present value using the discounting methodology.

iii. Cost approach – Replacement cost method.

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.

d) Revenue Recognition

Contracts involving provision of services and material

Revenue is recognized when, or as, control of a promised service or good transfers to a customer, in an amount that reflects the consideration to which the 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.

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

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

Fixed Price contracts

Revenue related to fixed price contracts where performance obligations and control are satisfied over a period of time like technology integration, complex network building contracts, system implementations and application development are recognized based on progress towards completion of the performance obligation using a cost-to cost measure of progress (i.e., percentage-of-completion (POC) method of accounting). Revenue is recognized based on the costs incurred to date as a percentage of the total estimated costs to fulfill the contract. Any revision in cost to complete would result in increase or decrease in revenue and such changes are recorded in the period in which they are identified.

Proprietary Software Products

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

Multiple performance obligations

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

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

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

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

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

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

e) Other Income

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

f) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and directly attributable cost of bringing the asset to its working condition for its intended use.

Any trade discounts and rebates are deducted in arriving at the purchase price. The company identifies and determines separate useful lives for each major component of the property, plant and equipment, if they have a useful life that is materially different from that of the assets as a whole.

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

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

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

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

	Life (in years)
Computer	4-5

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

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

g) Foreign currency transactions

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

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.

h) Taxation

HCL Estonia is domiciled in a tax-free country hence no current tax and deferred tax are provided for in the financial statements.

i) Inventories

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

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

j) 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: Initial recognition and measurement

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 transaction price.

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 considering 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 receivables, trade and other receivables.

ii. Financial liabilities - Initial recognition and measurement

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

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

After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method. 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.

k) Earnings per share

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

Diluted EPS amounts are computed by dividing the net profit attributable to the equity holders of the parent 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.

l) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

m) Contingent liabilities

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

n) Retirement and other employee benefits

Contributions to defined contribution plans are recognized as expense when employees have rendered services entitling them to such benefits. 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 expense on non-accumulating compensated absences is recognized in the statement of profit and loss in the year in which the absences occur.

o) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks, which are subject to an insignificant risk of change in value.

p) 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 financial statements of the Company:

Disclosure of accounting policies (amendments to Ind AS 1 - Presentation of Financial Statements)

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 Company does not expect this amendment to have any significant impact in its financial statements.

Definition of accounting estimate (amendments to Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors)

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 Company does not expect this amendment to have any significant impact in its 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 Company is evaluating the impact, if any, in its financial statements.

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

2.1 Property, plant and equipment

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

	Computers	Total
	(EUR)	(EUR)
Gross block as at 1 April 2022	88	88
Additions	11	11
Gross block as at 31 March 2023	99	99
Accumulated depreciation as at 1 April 2022	88	88
Charge for the year	0	0
Accumulated depreciation as at 31 March 2023	88	88
Net block as at 31 March 2023	11	11

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

	Computers	Total
	(EUR)	(EUR)
Gross block as at 1 April 2021	88	88
Additions	-	-
Gross block as at 31 March 2021	88	88
Accumulated depreciation as at 1 April 2021	88	88
Charge for the year	-	-
Accumulated depreciation as at 31 March 2022	88	88
Net block as at 31 March 2022	-	-

2.2 Inventories

	As at	
	31 March 2023	31 March 2022
	(EUR)	(EUR)
Stock in Trade	4	-
	4	**-**

2.3 Trade Receivables

	As at	
	31 March 2023	31 March 2022
	(EUR)	(EUR)
Billed		
Unsecured considered good (refer note below)	111	139
Trade Receivables- credit impaired	15	15
	126	**154**
Impairment allowance for bad and doubtful debts	(22)	(15)
	104	**139**
Unbilled Recievables (refer note below)	48	33
	152	**172**

Note: Includes billed receivables from related parties amounting to EUR 74 thousands as on 31 March 2023 (31 March 2022, EUR 54 thousands) and unbilled recievables from related parties amounting to EUR 38 thousand as on 31 March 2023 (31 March 2022, Nil) (refer note 2.19)

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

2.3 Trade Receivables (continued)

Trade receivables - current	Not Due	Outstanding as at 31 March 2023 from the due date of payment					
		Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed – considered good	32	79	-	-	-	-	111
Undisputed – credit impaired	-	-	-	-	15	-	15
							126
Impairment allowance for bad and doubtful debts							(22)
Unbilled receivables							48
							152

Trade receivables - current	Not Due	Outstanding as at 31 March 2022 from the due date of payment					
		Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed – considered good	72	67	-	-	-	-	139
Undisputed – credit impaired	-	-	-	15	-	-	15
							154
Impairment allowance for bad and doubtful debts							(15)
Unbilled receivables							33
							172

2.4 Cash and cash equivalent and other bank balances

	As at	
	31 March 2023 (EUR)	31 March 2022 (EUR)
Cash and cash equivalents		
Balance with banks		
- in current accounts	461	429
	461	**429**

2.5 Other financial assets

	As at	
	31 March 2023 (EUR)	31 March 2022 (EUR)
Non - current		
Carried at amortized cost		
Finance lease receivables	66	209
	66	**209**
Current		
Carried at amortized cost		
Finance lease receivables	68	118
	68	**118**

2.6 Other current assets

	As at	
	31 March 2023 (EUR)	31 March 2022 (EUR)
Unsecured , considered good		
Advance other than capital advances		
Advances to employees	6	-
Others		
Prepaid expenses	2	-
Deferred contract cost - related parties (refer note no. 2.19 & 2.13)	144	135
	152	**135**

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

2.7 Equity Share Capital

	As at	
	31 March 2023	31 March 2022
	(EUR)	(EUR)
Authorized		
20,00,000 (31 March 2022, 20,00,000)Equity shares of EUR 1 each	2,000	2,000
Issued, subscribed and fully paid up		
528,920 (31 March 2022, 528,920) Equity shares of EUR 1 each	529	529

Terms/ rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of EUR 1/-. 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 reporting year

	As at		As at	
	31 March 2023		31 March 2022	
	No. of shares	Amount in EUR	No. of shares	Amount in EUR
Number of shares at the beginning	528,920	529	528,920	529
Add: Shares issued during the year	-	-	-	-
Number of shares at the end	**528,920**	**529**	**528,920**	**529**

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

	As at		As at	
	31 March 2023		31 March 2022	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of EUR 1 each fully paid				
HCL Tehnologies UK limited	528,920	100%	528,920	100%

As per the records of the Company, including its register of shareholders, the above shareholding represents both legal and beneficial ownership of shares.

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

Capital management

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

2.8 Other financial liabilities

	As at	
	31 March 2023	31 March 2022
	(EUR)	(EUR)
Non - current		
Carried at amortized cost		
Others	26	-
	26	**-**
Current		
Carried at amortized cost		
Other employee costs	2	-
Others	21	-
	23	**-**

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

2.9 Contract liabilities

	As at	
	31 March 2023	31 March 2022
	(EUR)	(EUR)
Non - current		
Contract liabilities (refer note no. 2.13)	1	2
	1	**2**
Current		
Contract liabilities (refer note no. 2.13)	144	134
	144	**134**

2.10 Trade payables

	As at	
	31 March 2023	31 March 2022
	(EUR)	(EUR)
Trade payables	48	-
Trade payables-related parties (refer note no. 2.19)	57	349
	105	**349**
Unbilled and accruals	12	23
Unbilled and accruals - related parties (refer note no.2.19)	13	12
	25	**35**
	130	**384**

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) Others - Undisputed	48	57	-	-	-	105
						105
Unbilled and accruals						25
						130

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) Others - Undisputed	-	349	-	-	-	349
						349
Unbilled and accruals						35
						384

2.11 Other current liabilities

	As at	
	31 March 2023	31 March 2022
	(EUR)	(EUR)
Withholding and other taxes payable	5	4
	5	**4**

2.12 Provisions

	As at	
	31 March 2023	31 March 2022
	(EUR)	(EUR)
Provision for Employee benefits		
Provision for Leave Encashment	-	2
	-	**2**

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

2.13 Revenue from operations

	Year ended 31 March 2023 (EUR)	Year ended 31 March 2022 (EUR)
Sale of services	730	772
Sale of hardware and software	230	-
	960	**772**

Disaggregate Revenue Information

The disaggregated revenue from contracts with customers by geography wise is as follows:

	Year ended 31 March 2023 (EUR)	Year ended 31 March 2022 (EUR)
Geography wise		
America	17	-
Europe	939	749
India	2	23
Others	2	-
Total	**960**	**772**

Remaining performance obligations

As at 31 March 2023, the aggregate amount of transaction price allocated to remaining performance obligations as per the requirements of Ind AS 115 was EUR 1272 (31 March 2022,EUR 450) out of which, approximately 40% (31 March 2022, 47%) is expected to be recognized as revenues within one year and the balance beyond one year. This is after exclusions as below:

a) Contracts for which we recognize revenues based on the right to invoice for services performed,
b) Variable consideration allocated entirely to a wholly unsatisfied performance obligation or to a wholly unsatisfied promise to transfer a distinct good or service that forms part of a single performance obligation, or
c) Variable consideration in the form of a sales-based or usage-based royalty promised in exchange for a license of intellectual property.

Contract balances

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

Contract liabilities : A contract liability arises when there is excess billing over the revenue recognized.
The below table discloses the movement in balances of contract liabilities :

	31 March 2023 (EUR)	31 March 2022 (EUR)
Balance as at beginning of the year	136	124
Additional amounts billed but not recognized as revenue	143	220
Deduction on account of revenues recognized during the year	(134)	(208)
Balance as at end of the year	**145**	**136**

Deferred contract cost : Deferred contract cost primarily represents the contract fulfilment cost and cost for obtaining the contract.
The below table discloses the movement in balance of deferred contract cost:

	31 March 2023 (EUR)	31 March 2022 (EUR)
Balance as at beginning of the year	135	132
Additional cost capitalised during the year	27	13
Deduction on account of cost amortised during the year	(18)	(10)
Balance as at end of the year	**144**	**135**

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

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

2.14 Other income

	Year ended 31 March 2023 (EUR)	Year ended 31 March 2022 (EUR)
Interest income		
On bank and other deposits	3	-
On Others	5	7
	8	**7**

2.15 Changes in inventories for stock in trade

	Year ended 31 March 2023 (EUR)	Year ended 31 March 2022 (EUR)
Opening stock	-	-
Less: Closing stock	4	-
	(4)	**-**

2.16 Employee benefits expense

	Year ended 31 March 2023 (EUR)	Year ended 31 March 2022 (EUR)
Salaries and bonus	123	134
Contribution to social security fund and other employee benefits	45	44
Staff welfare expenses	-	1
	168	**179**

2.17 Finance cost

	Year ended 31 March 2023 (EUR)	Year ended 31 March 2022 (EUR)
Interest		
On loan from bank	1	1
On others	38	-
Bank charges	4	3
	43	**4**

2.18 Other expenses

	Year ended 31 March 2023 (EUR)	Year ended 31 March 2022 (EUR)
Rent	1	1
Legal and professional charges	6	6
Provision for doubtful debts/ bad debts written off	7	15
Exchange differences (net)	17	10
	31	**32**

HCL Technologies Estonia OÜ
Notes to Financial Statements for the year ended 31 March 2023
(All amounts in thousands of Euro except share data and as stated otherwise)

2.19 Related party transactions

Ultimate Holding company
HCL Technologies Limited
Holding company
HCL Technologies UK Limited

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

Ultimate Holding company
HCL Technologies Limited
Holding company
HCL Technologies UK Limited
Fellow subsidiaries
HCL Technologies Denmark ApS
HCL Axon Solutions (Shanghai) Co., Limited
HCL Technologies (Shanghai) Limited
HCL Technologies Norway AS
HCL Singapore Pte. Limited, Singapore
HCL Technologies (Taiwan) Limited.
PT. HCL Technologies Indonesia
HCL Technologies Corporate Services Limited
HCL Technologies Belgium BVBA
HCL Canada Inc. (Fy HCL Axon Technologies Inc
HCL Technologies Morocco
HCL Technologies Malaysia SDN BHD (Fy HCLAxonMalaysiaSDNBHD)
HCL Technologies Romania s.r.l.
HCL Guatemala, Sociedad Anonima
HCL America Inc.
HCL Technologies (Thailand) Limited.
HCL Technologies Philippines Inc
HCL Japan Limited, Japan
HCL Technologies Czech Republic s.r.o.
Filial Espanola De HCL Technoloiges, S.L.(HCL Spain)
HCL Technologies South Africa (Proprietary) Limited

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

	Ultimate Holding company		Holding company		Fellow subsidiaries	
	Year ended		Year ended		Year ended	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Outsourcing costs	365	312	-	39	125	111
Revenue from operations	2	23	236	227	36	39

d) Outstanding balances of related parties **(EUR)**

	Ultimate Holding company		Holding company		Fellow subsidiaries	
	As at		As at		As at	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Trade receivables	-	23	55	31	19	-
Unbilled receivables	-	-	38	-	-	-
Trade payables	10	259	-	-	47	90
Deferred contract cost	144	135	-	-	-	-
Unbilled and accruals	3	12	-	-	10	-

2.20 Earnings per equity share (EPS)

	As at	
	31 March 2023	31 March 2022
	(EUR)	(EUR)
Net profit as per statement of profit and loss for computation of EPS	48	30
Weighted average number of equity shares outstanding in calculating Basic and dilutive EPS	528,920	528,920
Nominal value of equity shares	1	1
Earnings per equity share		
- Basic and Diluted	**0.09**	**0.06**

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

2.21 Leases

i) Finance Lease: In case of assets given on lease

The Company has given networking equipment to its customers on finance lease basis. The future lease receivables in respect of assets given on finance lease as at 31 March 2023 are as follows:

	Total minimum lease payments (EUR)	Interest included in minimum lease payments receivable	Present value of minimum lease payments receivable (EUR)
Not later than one year	212	144	68
Later than one year and not later than 5 years	219	153	66
Total	**431**	**297**	**134**

The future lease receivables in respect of assets given on finance lease as at 31 March 2022 are as follows:

	Total minimum lease payments (EUR)	Interest included in minimum lease payments receivable	Present value of minimum lease payments receivable (EUR)
Not later than one year	123	5	118
Later than one year and not later than 5 years	215	6	209
Total	**338**	**11**	**327**

2.22 Segment Reporting

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

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

Revenue disaggregation as per geography is given in note 2.13.

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:

	Amortized Cost (EUR)	Total Carrying Value (EUR)
Financial Assets		
Trade Receivables (including unbilled)	152	152
Cash and Cash Equivalents and other bank balances	461	461
Others (refer note 2.5)	134	134
Total	**747**	**747**
Financial Liabilities		
Trade Payables (including unbilled and accruals)	130	130
Others (refer note 2.8)	49	49
Total	**179**	**179**

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

	Amortized Cost (EUR)	Total Carrying Value (EUR)
Financial Assets		
Trade Receivables (including unbilled)	172	172
Cash and Cash Equivalents and other bank balances	429	429
Others (refer note 2.5)	327	327
Total	**928**	**928**
Financial Liabilities		
Trade Payables (including unbilled and accruals)	384	384
Total	**384**	**384**

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

2.23 Financial Instruments (continued)

The Company is exposed to market risk, credit risk and liquidity risk which may impact the fair value of its financial instruments. The Company has a risk management policy to manage & mitigate these risks.
The Company's risk management policy aims to reduce volatility in financial statements while maintaining balance between providing predictability in the Company's business plan along with reasonable participation in market movement.

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

(i) Foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in exchange rates. The Company's exposure to the risk of changes in exchange rates relates primarily to the Company's operations.
The exchange rate risk primarily arises from assets and liabilities denominated in curriences other than functional currency. The fluctuation in exchange rates in respect to EUR may not have significant impact on the statement of profit and loss 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 nominal amount of approximately EUR 1391 in absolute amount
(31 March 2022, EUR 514 in absolute amount) 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 all the currencies by 1% against the functional currency of the Company. The sensitivity analysis presented above may not be representative of the actual change.

Non-derivative foreign currency exposure as of 31 March 2023 and 31 March 2022 in major currencies is as below:

	Financial assets		Financial liabilities	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	(EUR)	(EUR)	(EUR)	(EUR)
USD/EUR	184	180	44	181
GBP/EUR	-	-	2	-
NOK/EUR	-	-	-	35

Credit risk
Financial instruments that potentially subject the Company to concentration of credit risk consist principally of cash and bank balances, inter-corporate deposits, trade receivables, finance lease receivables, investment securities and derivative instruments. The cash resources of the Company are invested with mutual funds, banks, financial institutions and corporations 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, unbilled receivables and finance lease receivables are 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, unbilled receivables, contract assets and finance lease receivables. Customer Ericsson AB accounted for 56% and Customer Hitachi Energy Ltd. accounted for 30%of trade receivables, unbilled receivables and finance lease receivables. The Company also outsourced selected client related credit risks to financial markets through "Non-recourse assignment" of receivables.

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

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

	Year 1 (Current)	Year 2	Year 3	Year 4-5 and thereafter	Total
	(EUR)	(EUR)	(EUR)	(EUR)	(EUR)
As at 31 March 2023					
Trade Payables (including unbilled and accruals)	179	-	-	-	179
Other financial liabilities	49	-	-	-	49
	228	**-**	**-**	**-**	**228**
As at 31 March 2022					
Trade Payables (including unbilled and accruals)	384	-	-	-	384
Total	**384**	**-**	**-**	**-**	**384**

2.24 Ratios

Ratio	Numerator	Denominator	Units	Year ended 31 March 2023	31 March 2022	Variance
Current ratio	Current assets	Current liabilities	Times	2.78	1.63	70%
Return on equity ratio	Profit for the year	Average total equity	%	9%	6%	49%
Trade receivables turnover ratio	Revenue from operations	Average trade receivables	Times	5.92	2.74	116%
Trade payables turnover ratio	Net credit purchases	Average trade payables	Times	2.76	1.07	158%
Net capital turnover ratio	Revenue from operations	Working capital (refer note below 2)	Times	1.79	2.34	-23%
Net profit ratio	Profit for the year	Revenue from operations	%	5%	4%	29%
Return on capital employed	Earning before interest and taxes	Capital employed	%	16%	6%	148%

Notes :
(1) Net credit purchase includes purchase of stock-in-trade , change in inventories of stock-in-trade, outsourcing costs and other expenses
(2) Working capital = current assets - current liabilities
(3) Average is calculated based on simple average of opening and closing balances

Explanation where change in the ratio is more than 25%

Current ratio : There is decrease in trade paybles in current year , consequently current liability has decreased in current year. Thus, Current ratio is in increasing trend.
Return on equity ratio : During current year profit has been increased by EUR 18 thousand . Consequently, return on equity is increased in current year.
Trade receivables turnover ratio : Due to increase in the revenue, and decrease in trade recievales turnover ratio has increased.

Trade payables turnover ratio : There is decrease in trade payables which has resulted in increase in Trade paybles turnover ratio.
Net profit ratio : Increase in revenue has primarily contributed to the increase in net profit ratio
Return on capital employed : Increase in revenue and earning before interest and taxes has contributed to the increase in return on capital employed.

2.25 Subsequent events

The Company has evaluated all the subsequent events through 09 June 2023, which is the date on which these financial statements were issued, and no events have occurred from the balance sheet date through that date except for matters that have already been considered in the financial statements.

3. The Company has presented its financial statements in "EUR in thousands" and accordingly, amounts less than EUR 0.50 thousands are rounded off to "0".

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

Rakesh Dewan
Rakesh Dewan (Jun 9, 2023 17:54 GMT+5.5)

Rakesh Dewan
Partner
Membership Number: 092212

Gurugram, India
Date: 9 June 2023

For and on behalf of the Board of Directors
of HCL Technologies Estonia OÜ

Bejoy George (Jun 9, 2023 16:28 GMT+5.5)

Shiv Walia
Director

Bejoy George
Director

Date: 9 June 2023