

STATE STREET HCL SERVICES (PHILIPPINES), INC.

FINANCIAL STATEMENTS
March 31, 2022 and 2021

With Independent Auditors' Report

REPORT OF INDEPENDENT AUDITORS

The Stockholders and Board of Directors
State Street HCL Services (Philippines), Inc.
Science Hub Tower 3
Campus Avenue corner Milano St.
McKinley Hill Cyberpark, Fort Bonifacio
Taguig City, Philippines

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of State Street HCL Services (Philippines), Inc. (the "Company"), which comprise the statements of financial position as at March 31, 2022 and 2021, statements of comprehensive income (loss), statements of changes in equity and statements of cash flows for the years then ended, and notes, including significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards for Small and Medium-sized Entities (PFRS for SMEs) under the liquidation basis of accounting.

Basis for Opinion

We conducted our audit in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, 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.

Firm Regulatory Registration & Accreditation:

PRC-BOA Registration No. 0003, valid until November 21, 2023

SEC Accreditation No. 0003-SEC, Group A, valid for five (5) years covering the audit of 2020 to 2024

financial statements (2019 financial statements are covered by SEC Accreditation No. 0004-FR-5)

IC Accreditation No. 0003-IC, Group A, valid for five (5) years covering the audit of 2020 to 2024

financial statements (2019 financial statements are covered by IC Circular Letter (CL) No. 2019-39, Transition clause)

BSP Accreditation No. 0003-BSP, Group A, valid for five (5) years covering the audit of 2020 to 2024

financial statements (2019 financial statements are covered by BSP Monetary Board Resolution No. 2161, Transition clause)



Emphasis of Matter

Close of the Company's Business Operations

We draw attention to Note 1 to the financial statements, which describes that the going concern basis of preparing the financial statements has not been used because the Board of Directors resolved on August 10, 2018, to close the Company's business operations effective December 31, 2018 due to the expiration of the Master Service Agreement (MSA) with State Street Bank and Trust Company (State Street), an entity under common control, and HCL Investments (UK) Limited. As of 31 March 2022, the Company is still processing the necessary clearances from regulatory authorities before shortening its corporate term. Accordingly, the Company has changed the basis of preparation from the going concern basis to liquidation basis. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS for SMEs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' 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 auditors' 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 PSAs 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 PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' 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.



**Report on the Supplementary Information Required Under Revenue Regulations
No. 15-2010 of the Bureau of Internal Revenue**

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 13 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

R.G. MANABAT & CO.

ALICIA S. COLUMBRES

Partner

CPA License No. 069679

SEC Accreditation No. 69679-SEC, Group A, valid for five (5) years
covering the audit of 2022 to 2026 financial statements

Tax Identification No. 120-964-156

BIR Accreditation No. 08-001987-027-2020

Issued July 20, 2020; valid until July 19, 2023

PTR No. MKT 8854058

Issued January 3, 2022 at Makati City

July 29, 2022

Makati City, Metro Manila



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REPORT OF INDEPENDENT AUDITORS

The Stockholders and Board of Directors
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In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards for Small and Medium-sized Entities (PFRS for SMEs) under the liquidation basis of accounting.

Basis for Opinion

We conducted our audit in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditors’ Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, 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.

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

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' 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.



**Report on the Supplementary Information Required Under Revenue Regulations
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R.G. MANABAT & CO.

ALICIA S. COLUMBRES

Partner

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**REPORT OF INDEPENDENT AUDITORS
TO ACCOMPANY FINANCIAL STATEMENTS FOR FILING
WITH THE BUREAU OF INTERNAL REVENUE**

The Stockholders and Board of Directors
State Street HCL Services (Philippines), Inc.
Science Hub Tower 3
Campus Avenue corner Milano St.
McKinley Hill Cyberpark, Fort Bonifacio
Taguig City, Philippines

We have audited the accompanying financial statements of State Street HCL Services (Philippines), Inc. (the "Company") as at and for the year ended March 31, 2022, on which we have rendered our report dated July 29, 2022.

In compliance with Revenue Regulations V-20, we are stating that no partner of our Firm is related by consanguinity or affinity to the president, manager or principal stockholder of the Company.

R.G. MANABAT & CO.

ALICIA S. COLUMBRES
Partner
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SUPPLEMENTAL WRITTEN STATEMENT OF AUDITOR

The Stockholders and Board of Directors
State Street HCL Services (Philippines), Inc.
Science Hub Tower 3
Campus Avenue corner Milano St.
McKinley Hill Cyberpark, Fort Bonifacio
Taguig City, Philippines

We have audited the accompanying financial statements of State Street HCL Services (Philippines), Inc. (the “Company”) as at and for the year ended March 31, 2022, on which we have rendered our report dated July 29, 2022.

In compliance with Revised Securities Regulation Code Rule 68, we are stating that the said Company has one (1) stockholder owning more than one hundred (100) shares.

R.G. MANABAT & CO.

ALICIA S. COLUMBRES
Partner
CPA License No. 069679
SEC Accreditation No. 69679-SEC, Group A, valid for five (5) years
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STATE STREET HCL SERVICES (PHILIPPINES), INC.
STATEMENTS OF FINANCIAL POSITION
(Under Liquidation)

		March 31	April 1
	Note	2022	2021 (As restated - Note 12)
			2020 (As restated - Note 12)
ASSETS			
Current Assets			
Cash in bank	4, 11	P189,644,246	P197,549,727
Other receivables	9, 11	-	473,293
Prepayments and other current assets - net	5	1,446,627	1,546,431
Property and equipment - net	6	103,810	340,625
		P191,194,683	P199,910,076
			P220,398,945
LIABILITY AND EQUITY			
Current Liability			
Account payables and other current liabilities	7, 9, 11, 12	P624,373	P18,810,812
Total Current Liability		624,373	18,810,812
Equity			
Capital stock	8	85,791,578	85,791,578
Retained earnings	12	104,778,732	95,307,686
Total Equity		190,570,310	181,099,264
		P191,194,683	P199,910,076
			P220,398,945

See Notes to the Financial Statements.

STATE STREET HCL SERVICES (PHILIPPINES), INC.
STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Under Liquidation)

		Year Ended March 31	
	<i>Note</i>	2022	2021
EXPENSES			
Legal and professional expenses		P1,445,287	P1,432,374
Depreciation	6	236,815	236,815
Impairment loss on input VAT	5	108,759	4,138,158
Others		13,249	102,883
		1,804,110	5,910,230
		(1,804,110)	(5,910,230)
OTHER INCOME (EXPENSES)			
Foreign exchange gain (loss) - net		11,139,244	(7,721,740)
Bank charges		(5,768)	(13,673)
Interest income	4	-	20,277
Other income		141,680	1,463,372
		11,275,156	(6,251,764)
NET INCOME (LOSS)/TOTAL COMPREHENSIVE INCOME (LOSS)		P9,471,046	(P12,161,994)

See Notes to the Financial Statements.

STATE STREET HCL SERVICES (PHILIPPINES), INC.
STATEMENTS OF CHANGES IN EQUITY
(Under Liquidation)

	Year Ended March 31		
	Capital Stock (Note 8)	Retained Earnings (As restated - Note 12)	Total
Balance at April 1, 2020, as previously reported	P85,791,578	P125,275,043	P211,066,621
Impact of correction of error	-	(17,805,363)	(17,805,363)
Restated balance at April 1, 2020	85,791,578	107,469,680	193,261,258
Total comprehensive loss for the year as restated	-	(12,161,994)	(12,161,994)
Restated balance at March 31, 2021	85,791,578	95,307,686	181,099,264
Total comprehensive income for the year	-	9,471,046	9,471,046
Balance, March 31, 2022	P85,791,578	P104,778,732	P190,570,310

See Notes to the Financial Statements.

STATE STREET HCL SERVICES (PHILIPPINES), INC.
STATEMENTS OF CASH FLOWS
(Under Liquidation)

		Years Ended March 31	
	Note	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Income (loss) before tax		P9,471,046	(P12,161,994)
Adjustment for:			
Depreciation	6	236,815	236,815
Impairment loss on input VAT	5	108,759	4,138,158
Interest income	4	-	(20,277)
Unrealized foreign exchange loss (gain) - net		108,322	(43,546)
Profit/(loss) before working capital changes:		9,924,942	(7,850,844)
Decrease (increase) in:			
Other receivables		464,774	10,900,119
Prepayments and other current assets		(108,758)	(18,340)
Decrease in accounts payable and other current liabilities		(18,186,439)	(8,326,875)
Net cash used in operations		(7,905,481)	(5,295,940)
Interest received	4	-	20,277
NET DECREASE IN CASH IN BANK		(7,905,481)	(5,275,663)
CASH IN BANK AT BEGINNING OF YEAR		197,549,727	202,825,390
CASH IN BANK AT END OF YEAR	4	P 189,644,246	P197,549,727

See Notes to the Financial Statements.

STATE STREET HCL SERVICES (PHILIPPINES), INC.
NOTES TO THE FINANCIAL STATEMENTS
(Under Liquidation)

1. Reporting Entity

State Street HCL Services (Philippines), Inc. (the "Company") was registered with the Philippine Securities and Exchange Commission (SEC) on June 20, 2013 to engage primarily in back office operations, business process outsourcing operations, processing and support facilities for rendering data processing and customer support services and information technology help desk services, cloud computing, remote infrastructure management, network or data center management, and to render consultancy services in the field of software and information technology, including but not limited to e-commerce, customized or readymade software solutions.

The Company's registered office address is Science Hub Tower 3, Campus Avenue corner Milano St., McKinley Hill Cyber park, Fort Bonifacio, Taguig City, Philippines. The Company is 100% owned by State Street HCL Holdings (UK) Limited, a company incorporated in the United Kingdom. The Company's ultimate parent is HCL Technologies Limited, a company incorporated in India.

Registration with the Philippine Economic Zone Authority (PEZA)

The Company was registered with PEZA on August 28, 2013 and is entitled to the incentives under the amended Republic Act No. 7916, *the Special Economic Zone Act of 1995, as amended*, and Book VI of Executive Order No. 226. As a registered enterprise, the Company is entitled to certain tax and non-tax incentives. The incentives of the Company include, among others, a four-year income tax holiday (ITH) for the original project effective on the committed date of start of commercial operations (SCO) or actual date of SCO, whichever is earlier; VAT zero-rating of local purchases subject to compliance with BIR and PEZA requirements; and exemption from payment of any and all local government imposts, fees, licenses and taxes except real estate tax.

On June 20, 2019, the Board of Directors (BOD) of PEZA, approved the cancellation of the PEZA registration of the Company effective on the 30th day from the Company's receipt of the approval, subject to the submission of requirements mandated by PEZA. As of March 31, 2022 and 2021, there are few final requirements which the Company is overseeing to comply in order to be cleared from its accountabilities to PEZA.

Status of Operations

On August 26, 2013, the Company entered into a Master Service Agreement (MSA) with State Street Bank and Trust Company (State Street), an entity under common control, and HCL Investments (UK) Limited which appointed the Company to perform business process services to State Street and its affiliates. This is the only business activity of the Company. The initial term of the MSA expired on February 10, 2017 but was further extended until December 31, 2018. The MSA continued with full force and effect until December 31, 2018 but was not renewed. There being no other business to transact, the Board of Directors (BOD) approved the resolution to close the Company's business operations on August 10, 2018 effective December 31, 2018. As a result, the Company has determined that the going concern basis of preparation is no longer appropriate. Hence, the Company changed its basis of accounting for periods subsequent to August 10, 2018 from the going concern basis to liquidation basis. Accordingly, the carrying values of the remaining assets as of March 31, 2022 and 2021 are presented at estimated realizable values and liabilities are presented at estimated settlement amounts.

2. Basis of Preparation

Statement of Compliance

The financial statements of the Company have been prepared in accordance with the Philippine Financial Reporting Standards for Small and Medium-sized Entities (PFRS for SMEs) under the liquidation basis of accounting.

The financial statements of the Company were authorized for issue by the BOD on July 29, 2022.

Functional and Presentation Currency

The financial statements are presented in Philippine peso, which is also the Company's functional currency. All financial information presented in Philippine peso have been rounded to the nearest peso unless otherwise indicated.

Basis of Measurement

As discussed in Note 1 to the financial statements, the BOD approved the resolution to close the Company's business operations on August 10, 2018 effective from December 31, 2018. Accordingly, the Company changed its basis of accounting from going concern basis to liquidation basis of accounting effective the fiscal year ended March 31, 2019.

The carrying values of the remaining assets are presented at estimated realizable values and liabilities are presented at estimated settlement amounts as at March 31, 2022 and 2021. The estimated amounts may be different from the proceeds that will ultimately be received or payments that will ultimately be made. All amounts are rounded off to the nearest peso, except when otherwise indicated.

The Company has applied the following accounting policies prior to the adoption of the liquidation basis of accounting:

Cash in Bank

Cash in bank is measured at amortized cost and earns interest based on prevailing bank deposit rates.

Other Receivables

Other receivables are recognized initially at the transaction price. These are subsequently measured at amortized cost using the effective interest method, less impairment losses. An allowance for impairment of receivables is established when there is objective evidence that the impairment loss has been incurred such as when the Company will not be able to collect all or a portion of amounts due according to the original terms of the other receivables. The related impairment loss is recognized immediately in profit or loss.

Other receivables are derecognized when the contractual rights to receive cash flows for the financial instruments expire, or when the financial assets and all substantial risk and rewards of ownership have been transferred.

Prepayments and Other Current Assets

Prepayments represent expenses not yet incurred but already paid in cash. Prepayments are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are charged to profit or loss as they are consumed in operations or expire with the passage of time.

Other current assets pertain to resources controlled by the Company as a result of past events and from the future benefits that are expected to flow to the Company.

Prepayments and other current assets are classified in the statements of financial position as current asset when the cost of services related to the prepayments and other current assets are expected to be incurred within one year or the Company's normal operating cycle, whichever is longer. Otherwise, these are classified as noncurrent assets.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation and amortization and any impairment in value.

The initial cost of property and equipment comprises its purchase price, including import duties, taxes, and any directly attributable cost of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance and overhaul costs, are normally charged to income in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional cost of property and equipment.

Depreciation is computed using the straight-line method over the following estimated useful lives of the assets:

<u>Asset</u>	<u>Number of Years</u>
Office equipment	5
Computers	4 - 5
Leasehold improvements - office equipment	Over the period of the lease or 5 years, whichever is shorter
Leasehold improvements - furniture and fixtures	Over the period of the lease or 7 years, whichever is shorter

Leasehold improvement - office equipment and leasehold improvement - furniture and fixtures are non-detachable from the leased office facility.

Amortization of leasehold improvements is calculated over the period of the lease or 5 or 7 years for office equipment and furniture and fixtures, respectively, whichever is shorter.

The useful lives and depreciation method are reviewed periodically to ensure that these are consistent with the expected pattern of economic benefits from the items of property and equipment.

When assets are sold or retired, their cost and accumulated depreciation and any impairment in value are eliminated from the accounts. Any gain or loss resulting from their disposal is included in statements of comprehensive income (loss).

The assets residual values and amortization of useful life are reviewed and adjusted, if appropriate, at each reporting period. An asset's carrying amount is written immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. As the financial statements have been prepared on liquidation basis, assets are measured at fair value less cost to dispose.

Impairment of Property and Equipment

The carrying value of property and equipment is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of the asset is the greater of fair value less cost to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment loss, if any, is recognized in statements of comprehensive income (loss).

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in statements of comprehensive income (loss), to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

Accounts Payable and Other Current Liabilities

Accounts payable and other current liabilities are recognized initially at the transaction price including transaction costs, if any. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects the current market assessment of the time value of money and the risk specific to the obligation. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.

Capital Stock

Capital stock represents the total par value of the shares that have been paid up.

Retained Earnings

Retained earnings represent the cumulative balance of net income or loss, net of any dividend declaration. Retained earnings also includes prior year adjustments.

Revenue

The Company derives revenues primarily from business process outsourcing services. Revenue is recognized when persuasive evidence of an arrangement exists, services have been rendered, the fee is determinable, and collectability is reasonably assured. Revenue for service rendered is reversed upon the business unit head's approval of actual claims received from the customers.

Business Process Outsourcing

Revenues from business process outsourcing services are derived from both time-based and unit-priced contracts. Revenue is recognized as the related services are performed in accordance with the specific terms of the contracts with the customer.

Other Income

Other income is recognized when earned.

Cost of Services and Expenses

Cost of services and expenses are recognized in statements of comprehensive income (loss) upon utilization of the materials or completion of the services provided or at the date they are incurred.

Leases

Operating lease expenses are recognized in the statements of comprehensive income (loss) on a straight-line basis over the lease term.

Taxes

Current Income Tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted at the end of reporting period.

Deferred Income Tax

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences. Deferred income tax assets are recognized for all deductible temporary differences that are expected to reduce taxable profit in the future.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred income tax assets to be utilized. Unrecognized deferred income tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow the deferred income tax assets to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of reporting period.

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

Value-added Tax (VAT)

Revenue, expenses and assets are recognized net of the amount of VAT except:

- where the VAT incurred on purchase of assets or services are not recoverable from the taxation authority, in which case, the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of prepayments and other current assets or accounts payable and other current liabilities in the statements of financial position.

Related Party Transactions

A related party transaction is a transfer of resources, services or obligations between the Company and a related party, regardless of whether a price is charged.

Related party relationship exists when one party has the ability to control, directly or indirectly, through one or more intermediaries, the other party or exercise significant influence over the other party in making the financial and operating decisions. Such relationship also exists between and/or among entities under common control with the reporting enterprises and their key management personnel, directors, or its stockholders. Related parties may be individuals or corporate entities. In considering each possible related party relationships, attention is directed to the substance of the relationship, and not merely the legal form.

Contingencies

Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed when an inflow of economic benefits is probable.

Events After the Reporting Period

Post year-end events that provide additional information about the Company's position at the reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to financial statements when material.

3. Significant Accounting Judgements and Estimates

The preparation of the Company's financial statements in conformity with PFRS for SMEs requires management to make judgments, estimates and assumptions that affect the amounts reported in the financial statements. The judgments, estimates and assumptions used in the financial statements are based upon management's evaluation of the relevant facts and circumstances that are believed to be reasonable as of the date of the financial statements. Actual results could differ from these estimates. The effect of any change in estimates is reflected in the financial statements as it becomes reasonably determinable.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements.

Determination of Functional Currency: The Company, based on relevant economic substance of the underlying circumstances, has determined its functional currency to be the Philippine Peso. It is the currency of the primary economic environment in which the Company operates.

Classification of Leases - Company as Lessee. The Company has operating lease agreements for the space and equipment used in the business process outsourcing operations and for office spaces. The Company has determined that the risks and rewards of ownership of the underlying properties have been retained by the lessors. Accordingly, the leases are accounted for as operating leases (see Note 11).

Adequacy of Tax Liabilities

In determining the amount of current income tax and deferred income tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accrual for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation and uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Estimating Impairment of Nonfinancial Assets

The Company assesses impairment of nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. The factors that the Company considers important which could trigger an impairment review include the following:

- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; and

- significant negative industry or economic trends.

The Company recognizes an impairment loss whenever the carrying amount of an asset exceeds its recoverable amount, which is the higher of fair value less cost of disposal and value-in-use. The fair value less cost of disposal calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model which requires use of estimates of a suitable discount rate and expected future cash inflows. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the assets belong. The Company did not provide for any impairment allowances on the nonfinancial assets as management expects that these will be fully recovered.

Estimating Provisions

The Company provides for present obligations (legal or constructive) where it is probable that there will be an outflow of resources embodying economic benefits that will be required to settle the said obligations. Management exercises judgment in assessing the probability of the Company becoming liable. An estimate of the provision is based on known information at the end of reporting date. Provisions recognized amounted to nil and P17,805,363 as of March 31, 2022 and 2021, respectively.

4. Cash in Bank

As at March 31, 2022 and 2021, cash in banks amounted to P189,644,246 and P197,549,727, respectively (see Note 1).

Cash in bank earns interest at the respective bank deposit rates.

Interest income earned from cash in bank amounted to nil and P20,277 for the years ended March 31, 2022 and 2021, respectively.

5. Prepayments and Other Current Assets

Details of this accounts are as follows:

	2022	2021
Input VAT - net	P15,293,052	P15,184,293
Less: Allowance for impairment loss	4,113,255	15,184,293
Write off	11,179,797	-
	-	-
Prepaid tax	1,412,315	1,512,119
Other current assets	34,312	34,312
	P1,446,627	P1,546,431

Input VAT pertains to VAT paid when an entity purchases goods or services from a VAT-registered supplier or vendor. This account is offset against any output tax previously recognized.

As at March 31, 2022 and 2021, management determined that the accumulated input VAT amounting to P15,293,052 and P15,184,293 as at March 31, 2022 and 2021, respectively, are not recoverable. The Company provided an impairment loss amounting to P108,759 and P4,138,158 during the years ended March 31, 2022 and 2021, respectively.

As at March 31, 2022, the management has also written off the accumulated input VAT from previous years amounting to P11,179,797 as the management assessed that it is no longer recoverable.

6. Property and Equipment

The movements and balances of this account are as follows:

	2022			Total
	Computers	Office Equipment	Leasehold Improvements	
Cost				
As at April 1, 2021	P13,184,353	P176,664	P1,657,706	P15,018,723
Accumulated Depreciation				
As at April 1, 2021	13,184,353	176,664	1,317,081	14,678,098
Depreciation	-	-	236,815	236,815
	13,184,353	176,664	1,553,896	14,914,913
Net Book Value as at March 31, 2022	P -	P -	P103,810	P103,810
	2021			Total
	Computers	Office Equipment	Lease Improvements	
Cost				
As at April 1, 2020	P13,184,353	P176,664	P1,657,706	P15,018,723
	13,184,353	176,664	1,657,706	15,018,723
Accumulated Depreciation				
As at April 1, 2020	13,184,353	176,664	1,080,266	14,441,283
Depreciation	-	-	236,815	236,815
	13,184,353	176,664	1,317,081	14,678,098
Net Book Value as at March 31, 2021	P -	P -	P340,625	P340,625

Due to the liquidation of the Company, the BOD approved the transfer of all remaining assets to HCL Technologies Philippines, Inc. (HTPI), a related party, effective December 31, 2019. The actual transfer of the assets from the Company to HTPI will happen upon approval of the transfer by PEZA.

7. Accounts Payable and Other Current Liabilities

	Note	2022	2021 (As restated - Note 12)
Accounts payable	9, 12	P3,668	P17,858,450
Due to related parties	9	195,245	401,099
Accrued expenses:			
Professional fees		284,625	284,625
Utilities		140,835	118,036
Employee benefits		-	148,602
	13	P624,373	P18,810,812

8. Capital Stock

As of March 31, 2022 and 2021, the Company's capital stock consists of the following:

	Number of Shares	Amount
Authorized at P100 par value	1,290,000	P129,000,000
Subscribed	860,000	86,000,000
Subscription receivable	-	(208,422)
Paid up capital		P85,791,578

Retained Earnings

In accordance with Section 42 of the Revised Corporation Code of the Philippines (the "Code"), stock corporations are prohibited from retaining surplus profits in excess of one hundred percent (100%) of their paid-in capital, except:

- When justified by definite corporate expansion projects or programs approved by the BOD; or
- When the Corporation is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its consent, and such consent has not yet been secured; or
- When it can be clearly shown that such retention is necessary under special circumstances, such as when there is a need for reserve for probable contingencies.

The Company's retained earnings as at March 31, 2022 and 2021 amounted to P104,778,732 and P95,307,686, respectively (see Note 12).

As at March 31, 2022 and 2021, the unrestricted retained earnings of the Company is still in excess of the paid-in capital by P18,987,154 and P9,516,108, respectively, after preparing the reconciliation in accordance with SEC Memorandum Circular No. 11, series of 2008, *Guidelines on the Determination of Retained Earnings Available for Dividend Declaration*. Management plans to use the excess retained earnings for possible distribution to shareholders upon liquidation.

9. Related Party Transactions

The Company has the following significant transactions and outstanding account balances with its related parties:

Related Parties	Note	Amount of Transactions		Outstanding Balance Receivable (Payables)		Terms and Conditions
		2022	2021	2022	2021	
Under Common Control						
<i>HTPI</i>						
Consultancy	a	P -	P -	(P66,850)	(P66,850)	On demand; non-interest bearing; unsecured
Other receivable	b	473,293	-	-	473,293	On demand; non-interest bearing; no impairment; unsecured
<i>HCL Istanbul Bilisim Teknoloji</i>						
Advance received	c	(205,854)	205,854	-	(205,854)	On demand; non-interest bearing; unsecured
<i>State Street</i>						
Consultancy	a	-	-	(128,395)	(128,395)	On demand; non-interest bearing; unsecured
Other income	d	-	982,670	-	-	
Provision	e, 7	(17,805,363)	-	-	(17,805,363)	On demand; non-interest bearing; unsecured
Receivables - related parties				P -	P473,293	
Due to related parties				7	(P195,245)	(P18,206,462)

- Related parties rendered consulting services to the Company under the normal course of business.
- The Company terminated the lease of its office facility in line with the Management's plan to liquidate the Company. On January 8, 2019, the lessor, the Company and HTPI entered into an addendum to the Facility Utilization and Service Agreement, wherein the Company assigned all its rights and obligations on the office facility to HTPI.
- In the normal course of business, the Company incur various expenses which is initially paid by the related parties. Outstanding balance related to this transaction is included as part of due to related parties under "Accounts payable and other current liabilities" account in the statements of financial position.
- For the year ended March 31, 2021, the Company received cash from its related party amounting to P982,670 for the insurance premium paid by the Company on behalf of a related party which was previously recognized as expense. This was recorded by the Company as part of other income under the "Other income (expenses)" account in the statements of comprehensive income (loss).
- Under the MSA, the Company as a service provider is liable for any operational loss suffered by State Street, its affiliates and their customers arising from or in connection with the service that it rendered under the circumstances mentioned in the MSA (see Note 1).

In 2018 and 2019, State Street raised the claims amounting to P17,805,363 for such operational loss which the Company is required to process. As per MSA, the loss incurred by State Street due to these unprocessed claims will be charged back to the Company (see Note 12).

On June 24, 2021, the Business Unit Head of the Company approved such claims against the Company, and they were subsequently paid by the Company on June 25, 2021

f. Key Management Personnel

Compensation of key management personnel of the Companies consists of directors' fee amounting to P180,000 and P360,000 for the years ended March 31, 2022 and 2021.

All related party balances are to be settled in cash.

10. Income Tax

The reconciliation of income tax benefits computed at the statutory tax rate to income tax benefits recognized in statements of comprehensive income (loss) is summarized as follows:

	2022	2021
Income (Loss) before income tax	P9,471,046	(P12,161,994)
Expense (benefit) from income tax at statutory income tax rate	P2,367,762	(P3,192,523)
Change in unrecognized deferred tax assets	(2,394,952)	2,111,317
Nondeductible expense	27,190	1,086,529
Interest income subjected to final tax	-	(5,323)
Income tax expense	P -	P -

**For the year ended March 31, 2022, the Company used the 25% while for the year ended March 31, 2021, the Company used the transitory rate of 25% provided by the Bureau of Internal Revenue (BIR) in its Revenue Regulations (RR) 5-2021 dated April 8, 2021.*

In 2022 and 2021, deferred tax assets have not been recognized by the Company in respect of NOLCO, unrealized foreign currency and accruals as is it not probable that future taxable profit will be available against which the Company can use the benefits therefrom.

As at March 31, 2022, the Company has NOLCO that can be carried forward and claimed as deduction from future taxable income as follows:

Year Incurred	Beginning Balance	Amount Incurred During the Year	Amount Expired During the Year	Ending Balance	Expiry Date
2019	P19,992,803	P -	(P19,992,803)	P -	2022
2020	53,593,122	-	-	53,593,122	2023
2021	5,284,659	-	-	5,284,659	2026
2022	-	2,896,434	-	2,896,434	2027
	P78,870,584	P2,896,434	(P19,992,803)	P61,774,215	

**Based on Section 4 of RR No. 25-2020, businesses or enterprises which incurred net operating loss for taxable years 2021 and 2022 shall be allowed to carry over the same as a deduction from gross income for the next five (5) consecutive taxable years, immediately following the year of such loss, unless otherwise disqualified.*

As at March 31, 2021, the Company has NOLCO that can be carried forward and claimed as deduction from future taxable income as follows:

Year Incurred	Amount	Expired	Used	Balance	Expiry Date
2019	P19,992,803	P -	P -	P19,992,803	March 31, 2022
2020	53,593,122	-	-	53,593,122	March 31, 2023
2021*	5,284,659	-	-	5,284,659	March 31, 2026
	P78,870,584	P -	P -	P78,870,584	

*Based on Section 4 of RR No. 25-2020, businesses or enterprises which incurred net operating loss for taxable years 2021 and 2022 shall be allowed to carry over the same as a deduction from gross income for the next five (5) consecutive taxable years, immediately following the year of such loss, unless otherwise disqualified.

Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act.

On March 26, 2021, the President of the Philippines approved the Corporate Recovery and Tax Incentives for Enterprises or the CREATE Act, with nine (9) provisions vetoed by the President. Below are the salient features of the Act that are relevant to the Company:

- a. Qualified export enterprises shall be entitled to 4 to 7 years ITH to be followed by 10 years 5% Special Corporate Income Tax (SCIT) OR Enhanced Deductions (ED).
- b. Qualified domestic market enterprises shall be entitled to 4 to 7 years ITH to be followed by 5 years ED.
- c. Registered enterprises are exempt from customs duty on importation of capital equipment, raw materials, spare parts, or accessories directly and exclusively used in the registered project or activity.
- d. VAT exemption on importation and VAT zero-rating on local purchases shall only apply to goods and services directly and exclusively used in the registered project or activity by a registered business enterprise (RBE).
- e. Meant for investments prior to effectivity of CREATE: RBEs granted only an ITH - continue with the availment of the ITH for the remaining period of the ITH. RBEs granted an ITH + 5% GIT or currently enjoying 5% GIT - allowed to avail of the 5% GIT for 10 years.
- f. Corporate income tax rate is reduced from 30% to 20% for domestic corporations with net taxable income not exceeding P5 million and with total assets not exceeding P100 million. All other domestic corporations and resident foreign corporations will be subject to 25% income tax. Said reductions are effective July 1, 2020.
- g. Minimum corporate income tax (MCIT) rate is reduced from 2% to 1% effective July 1, 2020 to June 30, 2023.

Definition of reorganization for purposes of applying the tax-free exchange provision under Section 40(C)(2) is expanded. Prior BIR ruling or confirmation shall not be required for purposes of availing the tax exemption of the exchange.

On April 8, 2021, the Bureau of Internal Revenue issued the following implementing revenue regulations that are effective immediately upon publication:

- BIR RR No. 2-2021, Amending Certain Provisions of Revenue Regulations No. 2-98, As Amended, to Implement the Amendments Introduced by Republic Act No. 11534, or the “Corporate Recovery and Tax Incentives for Enterprises Act” (CREATE), to the National Revenue Code of 1997, as Amended, Relative to the Final Tax on Certain Passive Income
- BIR RR No. 3-2021, Rules and Regulations Implementing Section 3 of Republic Act (RA). No. 11534, Otherwise Known as the “Corporate Recovery and Tax Incentives for Enterprises Act” or “CREATE”, Amending Section 20 of the National Internal Revenue Code of 1997, As Amended
- BIR RR No. 4-2021, Implementing the Provisions on Value-Added Tax (VAT) and Percentage Tax Under Republic Act (RA) No. 11534, Otherwise Known as the “Corporate Recovery and Tax Incentives for Enterprises Act” (CREATE) Which Further Amended the National Revenue Code of 1997, as Amended, as Implemented by Revenue Regulations (RR) No. 16-2005 (Consolidated Value-Added Tax Regulations of 2005), As Amended
- BIR RR No. 5-2021, Implementing the New Income Tax Rates on the Regular Income of Corporations, on Certain Passive Incomes, Including Additional Allowable Deductions from Gross Income of Persons Engaged in Business or Practice of Profession Pursuant to Republic Act (RA) No. 11534 or the “Corporate Recovery and Tax Incentives for Enterprises Act” (CREATE), Which Further Amended the National Revenue Code (NIRC) of 1997

11. Categories of Financial Assets and Liabilities

The Company’s financial assets and financial liabilities measured at amortized costs are as follows:

	<i>Note</i>	2022	2021 (As restated - Note 12)
Financial Assets			
Cash in banks	4	P189,644,246	P197,549,727
Other receivables	10	-	473,293
		P189,644,246	P198,023,020
Financial Liabilities			
Accounts payable and other current liabilities	7, 10, 12	P624,373	P18,810,812

12. Prior Period Restatement

In 2022, the Company restated its financial statements for the years ended March 31, 2021 and 2020 to recognize a provision for claims from a related party amounting to P17,805,363 which was inadvertently omitted in the 2021 and 2020 financial statements (see Note 9).

The impact of the restatement is as follows:

	March 31, 2020		
	As Previously Stated	Adjustment	As restated
Statement of Financial Position			
Accounts payable and other current liabilities	P9,332,324	P17,805,363	P27,137,687
Retained earnings	125,275,043	(17,805,363)	107,469,680

	March 31, 2021		
	As Previously Stated	Adjustment	As restated
Statement of Financial Position			
Accounts payable and other current liabilities	P1,005,449	P17,805,363	P18,810,812
Retained earnings	113,113,049	(17,805,363)	95,307,686

The restatement has no impact on the Company's statement of comprehensive income (loss) and on the statement of cash flows March 31, 2021.

13. Supplementary Information Required by the Bureau of Internal Revenue (BIR)

In addition to the disclosures mandated under PFRS for SMEs, and such other standards and/or conventions as may be adopted, companies are required by the BIR to provide in the notes to the financial statements, certain supplementary information for the taxable year. The amounts relating to such information may not necessarily be the same with those amounts disclosed in the financial statements which were prepared in accordance with PFRS for SMEs. Following are the tax information required for the taxable period ended March 31, 2022:

I. Based on Revenue Regulation (RR) 15-2010

- A. The Company being a PEZA registered entity has no Output VAT in 2022.
- B. Movements in input VAT follows:

	Amount
Balance at April 1, 2021	P4,042,786
Current year payments for domestic purchases of service	70,469
Balance, March 31, 2022	P4,113,255

- C. As of March 31, 2022, the Company does not have any final deficiency tax assessments with BIR or tax cases pending in courts or bodies outside of BIR.

Information on amounts of custom duties, tariff fees and excise taxes are not applicable since there are no transactions that the Company would be subjected to these taxes.

COVER SHEET

For AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	1	3	1	1	6	1	5
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COMPANY NAME

S	T	A	T	E		S	T	R	E	E		H	C	L		S	E	R	V	I	C	E							
(P H I L I P P I N E S) , I N C .																													

PRINCIPAL OFFICE (No. / Street / Barangay / City / Town / Province)

S	c	i	e	n	c		H	u	b		T	o	w	e	r	3		C	a	m	p	u	s						
A v e n u e c o r n e r M i l a n o S t .																													
M c K i n l e y H i l l C y b e r p a r k , F o r t																													
B o n i f a c i o , T a g u i g C i t y																													

Form Type

A A F S

Department requiring the report

Secondary License Type, If Applicable

COMPANY INFORMATION

Company's email Address

Company's Telephone Number/s

795-0100

Mobile Number

No. of Stockholders

8

Annual Meeting (Month / Day)

Last Monday of September

Fiscal Year (Month / Day)

3/31

CONTACT PERSON INFORMATION

The designated contact person **MUST** be an Officer of the Corporation

Name of Contact Person

Rajesh Gupta

Email Address

gupta_rajesh@hcl.com

Telephone Number/s

Mobile Number

+9958535310

CONTACT PERSON'S ADDRESS

HCL Technologies, Lotus Business Park, Tower B, Third Floor, Noida-Sec-127 Noida 201304 (U.P.)

Note 1: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

Note 2: All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.



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**REPORT OF INDEPENDENT AUDITORS
TO ACCOMPANY SUPPLEMENTARY INFORMATION FOR FILING
WITH THE SECURITIES AND EXCHANGE COMMISSION**

The Stockholders and Board of Directors
State Street HCL Services (Philippines), Inc.
Science Hub Tower 3
Campus Avenue corner Milano St.
McKinley Hill Cyberpark, Fort Bonifacio
Taguig City, Philippines

We have audited, in accordance with Philippine Standards on Auditing, the financial statements of State Street HCL Services (Philippines), Inc. (the "Company"), as at and for the years ended March 31, 2022 and 2021, on which we have rendered our report dated July 29, 2022.

Our audits were made for the purpose of forming an opinion on the basic financial statements of the Company taken as a whole. The supplementary information included in the Reconciliation of Retained Earnings Available for Dividend Declaration is the responsibility of the Company's management. This supplementary information is presented for purposes of complying with the Revised Securities Regulation Code Rule 68 and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

R.G. MANABAT & CO.

ALICIA S. COLUMBRES
Partner
CPA License No. 069679
SEC Accreditation No. 69679-SEC, Group A, valid for five (5) years
covering the audit of 2022 to 2026 financial statements
Tax Identification No. 120-964-156
BIR Accreditation No. 08-001987-027-2020
Issued July 20, 2020; valid until July 19, 2023
PTR No. MKT 8854058
Issued January 3, 2022 at Makati City

July 29, 2022
Makati City, Metro Manila

Firm Regulatory Registration & Accreditation:
PRC-BOA Registration No. 0003, valid until November 21, 2023
SEC Accreditation No. 0003-SEC, Group A, valid for five (5) years covering the audit of 2020 to 2024
financial statements (2019 financial statements are covered by SEC Accreditation No. 0004-FR-5)
IC Accreditation No. 0003-IC, Group A, valid for five (5) years covering the audit of 2020 to 2024
financial statements (2019 financial statements are covered by IC Circular Letter (CL) No. 2019-39, Transition clause)
BSP Accreditation No. 0003-BSP, Group A, valid for five (5) years covering the audit of 2020 to 2024
financial statements (2019 financial statements are covered by BSP Monetary Board Resolution No. 2161, Transition clause)

**RECONCILIATION OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION
AS OF MARCH 31, 2022**

STATE STREET HCL SERVICES (PHILIPPINES), INC.
Science Hub Tower 3, Campus Avenue corner Milano St., McKinley Hill,
Cyberpark, Fort Bonifacio, Taguig City, Philippines

Unappropriated Retained Earnings, beginning		P95,307,686
Adjustments:		
Less: Deferred tax asset	P -	
Unappropriated Retained Earnings, as adjusted, beginning		P95,307,686
Net Income during the period closed to Retained Earnings	9,471,046	
Less: Non-actual/unrealized income net of tax	-	
Unrealized foreign exchange gain - net (except those attributable to Cash and Cash Equivalents)	-	
Unrealized actuarial gain	-	
Fair value adjustments (M2M gains)	-	
Fair value adjustments of Investment Property resulting to gain	-	
Adjustment due to deviation from PFRS/GAAP - gain	-	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-	
Deferred income tax for the year	-	
Sub-total	9,471,046	
Add: Non-actual losses		
Deferred tax expense	-	
Depreciation on revaluation increment (after tax)	-	
Adjustment due to deviation from PFRS/GAAP - loss	-	
Loss on fair value adjustment of investment property (after tax)	-	
Net Income Actual/Realized		104,778,732
Dividends declared and paid during the year		-
Unappropriated Retained Earnings, as adjusted, ending		P104,778,732