HCL Technologies Trinidad and Tobago Limited
Financial Statements
For the year ended 31 December 2020 and for the period ended 31 December 2019

HCL Technologies Trinidad and Tobago Limited
Balance Sheet as at 31 December 2020
(All amounts in thousands except share data and as stated otherwise)

	Note No.	As at 31 December 2020 (TTD)	As at 31 December 2019 (TTD) Refer note 1(a)	As at 31 December 2020 (₹)
I. ASSETS				
(1) Current assets				
(a) Financial assets				
(i) Trade receivables	**2.1**	2,649	-	28,625
TOTAL ASSETS		**2,649**	**-**	**28,625**
II. EQUITY				
(a) Equity share capital	**2.2**	-	-	-
(b) Other Equity		89	-	970
TOTAL EQUITY		**89**	**-**	**970**
II LIABILITIES				
(1) Non - current liabilities				
(a) Deferred tax liabilities (net)		2	-	20
(2) Current liabilities				
(a) Financial liabilities				
(i) Trade payables	**2.3**	448	-	4,843
(ii) Others	**2.4**	2,073	-	22,396
(b) Current tax liabilities (net)		37	-	396
TOTAL EQUITY AND LIABILITIES		**2,649**	**-**	**28,625**
Summary of significant accounting policies	**1**			

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

Anurag Maheshwary

Anurag Maheshwary
Partner
Membership no. 506533

Gurugram, India
Date: 17 June 2021

For and on behalf of the Board of Directors
of HCL Technologies Trinidad and Tobago Limited

Sridharan S

Shiv Walia
Director

Sridharan Sundaram
Director

Date: 17 June 2021

HCL Technologies Trinidad and Tobago Limited
Statement of Profit and Loss for the year ended 31 December 2020
(All amounts in thousands except share data and as stated otherwise)

		Note No.	Year ended 31 December 2020 (TTD)	Period ended 31 December 2019 (TTD) Refer note 1 (a)	Year ended 31 December 2020 (₹)
I	**Revenue**				
	Revenue from operations	**2.5**	2,649	-	28,625
	Other income	**2.6**	7	-	78
	Total income		**2,656**	**-**	**28,703**
II	**Expenses**				
	Other expenses	**2.7**	2,528	-	27,317
	Total expenses		**2,528**	**-**	**27,317**
III	**Profit before tax**		**128**	**-**	**1,386**
IV	**Tax expense**	**2.8**			
	Current tax		(37)	-	**(396)**
	Deferred tax charge		(2)	-	**(20)**
	Total tax expense		**(39)**	**-**	**(416)**
V	**Profit for the year**		**89**	**-**	**970**
VI	**Other comprehensive income**				
(A)	(i) Items that will not be reclassified to statement of profit and loss		-	-	-
	(ii) Income tax on items that will not be reclassified to statement of profit and loss		-	-	-
(B)	(i) Items that will be reclassified subsequently to statement of profit and loss		-	-	-
	(ii) Income tax on items that will be reclassified subsequently to statement of profit and loss		-	-	-
VII	**Total other comprehensive income**		**89**	**-**	**970**
VIII	**Total comprehensive income for the year**		**89**	**-**	**970**
	Summary of significant accounting policies	**1**			

The accompanying notes are an integral part of the financial statements

As per our report of even date

For B S R & Co. LLP
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of HCL Technologies Trinidad and Tobago Limited

Sridharan S

Shiv Walia
Director

Sridharan Sundaram
Director

Date: 17 June 2021

HCL Technologies Trinidad and Tobago Limited
Statement of Cash flow for the year ended 31 December 2020
(All amounts in thousands except share data and as stated otherwise)

	Year ended 31 December 2020 (TTD)	Period ended 31 December 2019 (TTD) Refer note 1(a)	Year ended 31 December 2020 (₹)
A. Cash flows from operating activities			
Profit before tax	128	-	1,386
	128	**-**	**1,386**
Net change in			
Trade receivables	(2,649)	-	(28,625)
Trade payables	448	-	4,843
Provisions, other financial liabilities and other liabilities	2,073	-	22,396
Cash generated from operations	**-**	**-**	**-**
Direct taxes paid	-	-	-
Net cash flow from operating activities (A)	**-**	**-**	**-**
Net increase / (decrease) in cash and cash equivalents (A)	-	-	-
Cash and cash equivalents at the beginning of the year	-	-	-
Cash and cash equivalents at the end of the year	**-**	**-**	**-**

Summary of significant accounting policies (Note 1)

As per our report of even date.

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

Anurag Maheshwary

Anurag Maheshwary
Partner
Membership no. 506533

Gurugram, India
Date: 17 June 2021

For and on behalf of the Board of Directors
of HCL Technologies Trinidad and Tobago Limited

Sridharan S

Shiv Walia
Director

Sridharan Sundaram
Director

Date: 17 June 2021

ORGANIZATION AND NATURE OF OPERATIONS

HCL Technologies Trinidad and Tobago Limited ("the Company") is domiciled and headquarter in Trinidad and Tobago. The Company was incorporated in 23 May 2019 and is a specialist in the domain of engineering solutions and Software services. HCL Technologies Trinidad and Tobago Limited is the wholly owned subsidiary of HCL Technologies UK Limited.

The financial statements for the year ended 31 December 2020 were approved and authorized for issue by the Board of Directors on 17th June 2021.

1. Summary of 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.

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 which have been 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 Trinidad and Tobago Dollar. The translation from TTD to ₹ is included solely for the convenience of readers in India and has been performed using rate of TTD 1 = ₹ 10.8054, the exchange rate prevailing as at the last day of the financial year. Such translation should not be construed as representation that the ₹ amount represents, or have been or could be converted into, TTD at that or any other rate.

As these are the first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. However, there was no transaction in previous period from 23 May 2019 to 31 December 2019 and accordingly company prepared the financial statement as per IND AS for the first time in current year.

b) Use of estimates

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

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

i. Allowance for uncollectible accounts receivables, refer note 1(g)(i)
ii. Recognition of income and deferred taxes, refer note 1(e) and note 2.8

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

c) Foreign currency and translation

The financial statements of the Company are presented in TTD which is also the Company's functional currency. For each foreign operation, the Company determines the functional currency which is its respective local currency.

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

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

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.

Fixed Price contracts

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

in the period in which they are identified. Provisions for estimated losses, if any, on contracts-in-progress are recorded in the period in which such losses become probable based on the current contract estimates. Contract losses are determined to be the amount by which the estimated incremental cost to complete exceeds the estimated future revenues that will be generated by the contract and are included in cost of revenues and recorded in other accrued liabilities

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

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

Multiple performance obligation

When a sales arrangement contains multiple performance, such as services, hardware and Licensed IPs (software) or combinations of each of them revenue for each element is based on a fivestep 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 fulfilment 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 cost of revenues.

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

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

e) Income Taxes

Tax expense comprise of current and deferred tax.

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

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

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

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

f) Provisions and contingent liabilities

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

g) Financial instruments

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

(i)Financial assets

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

Cash and short-term deposits

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

Financial instruments at amortized cost

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

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

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

Derecognition of financial assets

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

Impairment of financial assets

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

(ii) Financial liabilities

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 payables 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.

Derecognition

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

Offsetting of financial instruments

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

(h) 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.

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

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

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

c) Cost approach – Replacement cost method.

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.

(i) Provisions and contingent liabilities

A provision is recognized if, as a result of a past event, the company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows.

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

(j) Earning 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 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.

(k) Recently issued accounting pronouncements

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

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

HCL Technologies Trinidad and Tobago Limited
Notes to financial statements for the year ended 31 December 2020
(All amounts in thousands except share data and as stated otherwise)

2.1 Trade receivables

	As at		
	31 December 2020	31 December 2019	31 December 2020
	(TTD)	(TTD)	(₹)
Current			
Unsecured considered good	2,649	-	28,625
Trade Receivables - credit impaired	-	-	-
Impairment Allowance (allowance for bad and doubtful debts)	-	-	-
	2,649	**-**	**28,625**

Note:-
1. Includes receivables from related parties amounting to TTD 2,649 (INR 28,625) (Refer note 2.9)

2.2 Share Capital
HCL Technologies Trinidad and Tobago Limited is the wholly owned subsidiary of HCL Technologies UK Limited.
As per the local laws of Trinidad & Tobago, capital infusion is not a statutory requirement to incorporate a company and ownership of the company has been determined basis board resolution available with the company.Further, the company is in the process of opening a bank account and obtaining local tax registration.

The holding company intends to infuse funds to meet the working capital requirement of the entity once the local compliance are complied by the company.
Terms/rights attached to equity shares
In the absence of any equity share issued by the Company, the holding company will be entitled to the voting rights. In the event of liquidation of the company, the holding company will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts.

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

2.3 Trade payables

	As at		
	31 December 2020	31 December 2019	31 December 2020
	(TTD)	(TTD)	(₹)
Trade payables	448	-	4,843
	448	**-**	**4,843**

2.4 Other financial liabilities

	As at		
	31 December 2020	31 December 2019	31 December 2020
	(TTD)	(TTD)	(₹)
Other payables (Refer note 2.9)	2,073	-	22,396
	2,073	**-**	**22,396**

2.5 Revenue from operations

	Year ended	Period ended	Year ended
	31 December 2020	31 December 2019	31 December 2020
	(TTD)	(TTD)	(₹)
Sale of services	2,649	-	28,625
	2,649	**-**	**28,625**

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

HCL Technologies Trinidad and Tobago Limited
Notes to financial statements for the year ended 31 December 2020
(All amounts in thousands except share data and as stated otherwise)

	Year ended 31 December 2020 (TTD)	Period ended 31 December 2019 (TTD)	Year ended 31 December 2020 (₹)
Contract type			
Fixed price	2,649	-	28,625
Total	**2,649**	**-**	**28,625**
Geography wise			
Europe	2,649	-	28,625
Total	**2,649**	**-**	**28,625**

Remaining performance obligations

As at 31 December 2020, the aggregate amount of transaction price allocated to remaining performance obligations as per the requirements of Ind AS 115 was nil. This is after exclusions of below:

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

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

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

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

2.6 Other income

	Year ended 31 December 2020 (TTD)	Period ended 31 December 2019 (TTD)	Year ended 31 December 2020 (₹)
Exchange differences	7	-	78
	7	**-**	**78**

2.7 Other expenses

	Year ended 31 December 2020 (TTD)	Period ended 31 December 2019 (TTD)	Year ended 31 December 2020 (₹)
Outsourcing costs	2,523	-	27,262
Legal and professional charges	5	-	55
	2,528	**-**	**27,317**

2.8 Income taxes

	Year ended 31 December 2020 (TTD)	Period ended 31 December 2019 (TTD)	Year ended 31 December 2020 (₹)
Income tax charged to statement of profit and loss			
Current income tax charge	37	-	396
Deferred tax charge	2	-	20
	39	**-**	**416**

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

	Year ended 31 December 2020 (TTD)	Period ended 31 December 2019 (TTD)	Year ended 31 December 2020 (₹)
Profit before income tax	128	-	1,386
Statutory tax rate	30%	-	30%
Expected tax expense	39	-	416
Total taxes	**39**	**-**	**416**
Effective income tax rate	30%	-	30%

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

	Opening balance	Recognized in profit and loss	Recognised in / reclassified from OCI	Closing balance
Deferred tax liabilities				
Unrealised forex	-	2	-	2
Net deferred tax liabilities (A)	**-**	**2**	**-**	**2**

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

	Opening balance	Recognized in profit and loss	Recognised in / reclassified from OCI	Closing balance
Deferred tax liabilities				
Unrealised forex	-	20	-	20
Net deferred tax liabilities (A)	-	20	-	20

2.9 Related party transactions

a) Related parties where control exists

Ultimate Holding company

HCL Technologies Limted, India

Holding company

HCL Technologies UK Limited

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

Holding company

HCL Technologies UK Limited

Fellow Subsidiary

HCL America Inc

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

	Holding company	Fellow subsidiaries
	Year ended	Period ended
	31 December 2020	31 December 2019
Revenue	2,649	-

(₹)

	Holding company	Fellow subsidiaries
	Year ended	Period ended
	31 December 2020	31 December 2019
Revenue	28,625	-

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

	Holding company	Fellow subsidiaries
	As at	As at
	31 December 2020	31 December 2020
Other payables	-	2,073
Trade Receivables	2,649	-

(₹)

	Holding company	Fellow subsidiaries
	As at	As at
	31 December 2020	31 December 2020
Other payables	-	22,396
Trade Receivables	28,625	-

2.10 Earning per share

No Earning per share has been calculated as there no share capital infused in the entity due to non-availability of bank account and tax registration. The holding company intends to infuse funds to meet the working capital requirement of the entity once the local compliance is complied by the company.

2.11 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 products & platforms segment. The ultimate Holding Company monitors the risk and returns of the Company's businesses on an entity level and evaluates the performance of the Company as one business segment.

Hence there is only one reportable segment of the Company, as envisaged under Indian Accounting Standards -108 "Operating segments".
Revenue disaggregation as per geography is given in note 2.5.

2.12 Financial Instruments

Financial assets and liabilities

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

	Amortized Cost	Total Carrying Value	Amortized Cost	Total Carrying Value
	(TTD)	(TTD)	(₹)	(₹)
Financial Assets				
Trade Receivables	2,649	2,649	28,625	28,625
Others	-	-	-	-
Total	**2,649**	**2,649**	**28,625**	**28,625**
Financial Liabilities				
Trade payables	448	448	4,843	4,843
Others	2,073	2,073	22,396	22,396
Total	**2,521**	**2,521**	**27,239**	**27,239**

(b) Financial risk management

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

The Company's risk management policy aims to reduce volatility in 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. An insignificant portion of the Company's revenue is in other foreign currency while a large protion of costs are in TTD. The fluctuation in exchnges rates in respect to TTD may not have potential 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 approximately TTD 25.21/- for the year ended 31 December, 2020.

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 respective functional currencies of the Company and its branches. The sensitivity analysis presented above may not be representative of the actual change.

HCL Technologies Trinidad and Tobago Limited
Notes to financial statements for the year ended 31 December 2020
(All amounts in thousands except share data and as stated otherwise)

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

	Net financial assets	Net financial liabilities
	31 December 2020	31 December 2020
	(TTD)	(TTD)
USD/TTD	2,240	4,762

Credit risk

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

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	Total	Total
	(TTD)	(TTD)	(TTD)	INR
As at 31 December 2020				
Trade payables	448	-	448	4,843
Others	2,073	-	2,073	22,396
Total	**2,521**	**-**	**2,521**	**27,239**
As at 31 December 2019				
Trade payables	-	-	-	-
Total	**-**	**-**	**-**	**-**

2.13 Subsequent event

The Company has evaluated all the subsequent events through 17 June 2021, 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 " TTD in thousands" and accordingly, amounts less than TTD 0.50 thousands are rounded off to zero.

As per our report of even date

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

Anurag Maheshwary

Anurag Maheshwary
Partner
Membership no. 506533

Gurugram, India
Date: 17 June 2021

For and on behalf of the Board of Directors
of HCL Technologies Trinidad and Tobago Limited

Sridharan S

Shiv Walia
Director

Sridharan Sundaram
Director

Date: 17 June 2021