HCL America Inc.

SPECIAL PURPOSE FINANCIAL STATEMENTS
For the year ended 31 March 2021 and 31 March 2020

HCL America Inc.
Special Purpose Balance Sheet as at 31 March 2021
(Amount in millions, except share and per share data)

	Note No.	As at 31-Mar-21 (USD)	As at 31-Mar-20 (USD)	As at 31-Mar-21 (Refer note 1 (a)) (₹)
I ASSETS				
(1) Non-current assets				
(a) Property, plant and equipment	3.1	86	93	6,255
(b) Capital work in progress		2	1	141
(c) Right-of-use asset	3.28	39	46	2,846
(d) Goodwill	3.2	338	338	24,685
(e) Other intangible assets	3.3	101	36	7,391
(f) Financial assets				
(i) Investments	3.4	377	375	27,555
(ii) Loans	3.5	99	115	7,203
(iii) Others	3.6	108	96	7,869
(g) Deferred tax assets (net)	3.25	41	30	3,006
(h) Other non-current assets	3.7	58	63	4,258
(2) Current assets				
(a) Inventories	3.8	1	3	31
(b) Financial assets				
(i) Trade receivables	3.9	856	769	62,574
(ii) Cash and cash equivalents	3.10	69	79	5,054
(iii) Loans	3.5	61	84	4,475
(iv) Others	3.6	286	184	20,886
(c) Current tax assets (net)		12	1	900
(d) Other current assets	3.11	122	133	8,976
TOTAL ASSETS		2,656	2,446	194,105
II EQUITY				
(a) Equity share capital	3.12	7	7	546
(b) Other equity		1,261	1,113	92,186
Equity attributable to shareholders of the Company		1,268	1,120	92,732
TOTAL EQUITY		1,268	1,120	92,732
III LIABILITIES				
(1) Non - current liabilities				
(a) Financial Liabilities				
(i) Borrowings	3.13	495	297	36,210
(ii) Lease Liabilities	3.28	38	57	2,744
(iii) Others	3.14	67	20	4,859
(b) Provisions	3.15	20	18	1,446
(c) Other non-current liabilities	3.16	8	8	604
(2) Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	3.13	12	231	852
(ii) Trade payables	3.17	194	194	14,196
(iii) Lease Liabilities	3.28	28	30	2,065
(iv) Others	3.14	437	396	31,922
(b) Provisions	3.15	18	18	1,321
(c) Other current liabilities	3.18	71	57	5,154
TOTAL EQUITY AND LIABILITIES		2,656	2,446	194,105
Summary of significant accounting policies	**1**			

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

As per our report of even date

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

Anurag Maheshwary

Anurag Maheshwary
Partner
Membership Number: 506533

Gurugram, India
Date: 06 August 2021

For and on behalf of the Board of Directors of HCL America Inc.

CVijayakumar

C. Vijayakumar
Director

Prateek Aggarwal

Prateek Aggarwal
Director

Date: 06 August 2021

HCL America Inc.
Special Purpose Statement of Profit and Loss for the year ended 31 March 2021
(Amount in millions, except share and per share data)

		Note No.	Year ended 31-Mar-21 (USD)	Year ended 31-Mar-20 (USD)	Year ended 31-Mar-21 (Refer note 1 (a)) (₹)
I	**Revenue**				
	Revenue from operations	3.19	2,959	3,342	216,349
	Other income	3.20	57	37	4,133
	Total Income		3,016	3,379	220,482
II	**Expenses**				
	Purchase of stock-in-trade		76	99	5,546
	Changes in inventories of stock-in-trade	3.21	2	(1)	182
	Employee benefits expense	3.22	1,555	1,748	113,685
	Finance costs	3.23	19	18	1,363
	Depreciation and amortisation expense	3.1, 3.3 & 3.28	81	65	5,942
	Outsourcing costs		1,028	1,101	75,143
	Other expenses	3.24	86	181	6,255
	Total expenses		2,847	3,211	208,116
III	**Profit before tax**		169	168	12,366
IV	**Tax Expense**				
	Current tax	3.25	39	43	2,901
	Deferred tax charge/ (Credit)		(13)	(13)	(968)
	Total tax expense		26	30	1,933
V	**Profit for the year**		143	138	10,433
VI	**Other comprehensive income**	3.26			
	Items that will be reclassified subsequently to statement of profit and loss		7	(7)	495
	Income tax on items that will be reclassified subsequently to statement of profit and loss		(2)	2	(142)
VII	**Total other comprehensive income**		5	(5)	353
VIII	**Total comprehensive income for the year**		148	133	10,786
	Earnings per equity share of par value USD 1 each	3.27			
	Basic		19.13	18.40	1,395.89
	Diluted		19.13	18.40	1,395.89
	Summary of significant accounting policies	**1**			

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HCL America Inc.

Special Purpose Statement of Changes in Equity for the year ended 31 March 2021

(Amount in millions, except share and per share data)

Particulars	Equity share capital		Other equity				
	Shares	Share capital	Reserves and Surplus			Other comprehensive income	Total (USD)
			Retained earnings	General Reserve	Securities premium	Cash flow hedging reserve	
Balance as at 1 April 2019	7,474,410	7	687	30	262	-	979
Profit for the year	-	-	138	-	-	-	138
Excess tax benefit from share-based payments	-	-	1	-	-	-	1
Other Comprehensive Income	-	-	-	-	-	(5)	(5)
Total comprehensive income for the year	-	-	138	-	-	(5)	133
Balance as at 31 March 2020	**7,474,410**	**7**	**826**	**30**	**262**	**(5)**	**1,113**
Balance as at 1 April 2020	7,474,410	7	826	30	262	(5)	1,113
Profit for the year	-	-	143	-	-	-	143
Other Comprehensive Income	-	-	-	-	-	5	5
Total comprehensive income for the year			143	-	-	5	148
Balance as at 31 March 2021	**7,474,410**	**7**	**968**	**30**	**262**	**-**	**1,261**

(₹) (Refer note 1(a))

Particulars	Equity share capital		Other equity				
	Shares	Share capital	Reserves and Surplus			Other comprehensive income	Total
			Retained earnings	General Reserve	Securities premium	Cash flow hedging reserve	
Balance as at 1 April 2020	7,474,410	546	60,040	2,187	19,173	(353)	81,400
Profit for the year	-	-	10,433	-	-	-	10,433
Other Comprehensive Incone	-	-	-	-	-	353	353
Total comprehensive income for the year			10,433	-	-	353	10,786
Balance as at 31 March 2021	**7,474,410**	**546**	**70,473**	**2,187**	**19,173**	**-**	**92,186**

Refer Note 1 for summary of significant accounting policies

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

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HCL America Inc.
Special Purpose Statement of Cash Flows for the year ended 31 March 2021
(Amount in millions, except share and per share data)

	Year ended 31-Mar-21 (USD)	Year ended 31-Mar-20 (USD)	Year ended 31-Mar-21 (Refer note 1 (a)) (₹)
A. Cash flows from operating activities			
Profit before tax	169	168	12,366
Adjustment for:			
Depreciation and amortization expense	81	65	5,942
Interest income	(7)	(10)	(512)
Interest expense	18	17	1,286
Dividend income from subsidiaries	(37)	(25)	(2,705)
Loss on sale of property, plant and equipment (net)	-	-	24
Income on Investment carried at fair value through profit and loss	(1)	-	(94)
Provision for doubtful debts	3	5	189
Profit on sale of Investment	-	-	-
	226	219	16,496
Net change in			
Trade receivables	(78)	(62)	(5,690)
Inventories	8	(1)	610
Other financial assets and other assets	(99)	(39)	(7,238)
Trade payables	(19)	(52)	(1,417)
Provisions, other financial liabilities and other liabilities	51	83	3,721
Cash generated from operations	89	148	6,481
Income taxes paid (net of refunds)	(51)	(41)	(3,751)
Net cash flow from operating activities (A)	38	108	2,731
B. Cash flows from investing activities			
Payments for business acquisitions, net of cash acquired	-	(54)	-
Investment in limited liability partnership	(1)	-	(37)
Proceeds from loans extended to group companies	93	83	6,825
Loans extended to group companies	(53)	(134)	(3,894)
Purchase of property, plant and equipment and intangibles	(46)	(42)	(3,358)
Proceeds from sale of property, plant and equipment	-	2	2
Dividend received from subsidiaries	37	25	2,705
Interest received	8	9	610
Net cash flow from/ (used in) investing activities (B)	38	(111)	2,853
C. Cash flows from financing activities			
Payment of lease liabilities including interest	(49)	1	(3,604)
Proceeds from (Repayment of) short term borrowings	(210)	108	(15,377)
Proceeds from long term borrowings	198	-	14,496
Proceeds from loans taken from group companies	53	22	3,864
Repayment of loans taken from group companies	(51)	(39)	(3,735)
Payment for deferred consideration on business acquisition	(10)	(2)	(711)
Interest paid	(17)	(18)	(1,263)
Net cash flow from/ (used in) financing activities (C)	(86)	72	(6,330)
Net increase (decrease) in cash and cash equivalents (A+B+C)	(10)	69	(746)
Cash and cash equivalents at the beginning of the year	79	10	5,800
Cash and cash equivalents at the end of the period as per note 3.10	69	79	5,054
Summary of significant accounting policies	**1**		

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

As per our report of even date

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Prateek Aggarwal
Director

Date: 06 August 2021

ORGANIZATION AND NATURE OF OPERATIONS

HCL America Inc., USA (hereinafter referred to as 'the Company'), is primarily engaged in providing a range of IT and Business Services, Engineering and R&D Services and Product & Platform Services. The Company was incorporated in USA in November 1988 having its registered office at 330, Potrero Avenue, Sunnyvale, California 94085. The Company leverages an extensive onshore infrastructure and professionals to deliver solutions across selected verticals including financial services, manufacturing (automotive, aerospace, hi-tech and semi-conductors) telecom, retail and consumer packaged goods services, media, publishing and entertainment, public services, energy and utility, healthcare and travel, transport and logistics.

The financial statements for the year ended 31 March 2021 were approved and authorized for issue by the Board of Directors on 06 August 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 principles 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 HCL Technologies Limited, being the Ultimate Holding Company to comply with requirements of the Companies Act, 2013 and are accordingly special purpose financial statements.

These financial statements have been prepared under the historical cost convention on an accrual and going concern basis except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

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

The functional currency of the Company is USD. The translation from USD to ₹ is included solely for the convenience of readers in India and has been performed using rate of USD 1 = ₹ 73.11, the exchange rate prevailing as at the last day of the financial year. Such translation should not be construed as representation that the ₹ amounts represent, or have been or could be converted into, USD at that or any other rate.

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. Accounting for costs expected to be incurred to complete performance under fixed price projects and determination of stand-alone selling prices for each distinct performance obligation in respect of proprietary software products, refer note 1(f)
ii. Allowance for uncollectible accounts receivables, refer note 1(p)(i).
iii. Fair value of the consideration transferred (including contingent consideration) and fair value of the assets acquired and liabilities assumed, measured on a provisional basis in case of business combination, refer note 1(c)
iv. Recognition of income and deferred taxes, refer note 1(g) and note 3.25

v. Key actuarial assumptions for measurement of future obligations under employee benefit plans, refer note 1(o) and note 3.33
vi. Useful lives of property, plant and equipment, refer note 1(h)
vii. Lives of intangible assets, refer note 1(i)
viii. Key assumptions used for impairment of goodwill, refer note 1(m) and note 3.2
ix. Identification of leases and measurement of lease liabilities and right of use assets, refer note 1(k)
x. Provisions and contingent liabilities, refer note 1(n) and note 3.32

In view of pandemic relating to COVID-19, the company has considered and taken into account internal and external information and has performed sensitivity analysis based on current estimates in assessing the recoverability of receivables, unbilled receivables, goodwill, intangible assets, other assets, impact on revenues and costs, impact on leases and effectiveness of its hedging relationships, 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) Business combination and goodwill

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

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

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

d) Foreign currency and translation

The financial statements of the Company are presented in its functional currency USD. 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 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. Revenue, expenses and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

The translation of foreign operations from respective functional currency into USD (the reporting currency) for assets and liabilities is performed using the exchange rates in effect at the balance sheet date, and for revenue, expenses and cash flows is performed using an appropriate daily weighted average exchange rate for the respective years.

e) Fair value measurement

The Company records certain financial assets and liabilities at fair value on a recurring basis. The Company determines fair values based on the price it would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability.
The Company holds certain fixed income securities, equity securities and derivatives, which must be measured using the guidance for fair value hierarchy and related valuation methodologies. The guidance of fair value specifies a hierarchy of valuation techniques based on whether the inputs to each measurement are observable or unobservable. Observable inputs

reflect market data obtained from independent sources, while unobservable inputs reflect the Company's assumptions about current market conditions. The fair value hierarchy also requires a Company to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The prescribed fair value hierarchy and related valuation methodologies are as follows:

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

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

Level 3 - Valuations derived from valuation techniques, in which one or more significant inputs are unobservable inputs which are supported by little or no market activity.
In accordance with Ind AS 113, assets and liabilities are to be measured based on the following valuation techniques: g

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 methodology.

c) Cost approach – Replacement cost method.

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

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

f) Revenue recognition

Contracts involving provision of services and material

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

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

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

Fixed Price contracts

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

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

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

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

Proprietary Software Products

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

Multiple performance obligations

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

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

Revenue from certain activities in transition services in outsourcing arrangements are not capable of being distinct or represent separate performance obligation. Revenues relating to such transition activities are classified as Contract liabilities and subsequently recognized over the period of the arrangement. Direct and incremental costs in relation to such transition activities which are expected to be recoverable under the contract are considered as contract 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 and right to consideration is not unconditional. Unbilled receivables represent contracts where right to consideration is unconditional (i.e. only the passage of time is required before the payment is due). A contract liability arises when there is excess billing over the revenue recognized.

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

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

Interest income

Interest income for all financial instruments measured at amortized cost is recorded using the effective interest rate(EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

g) Income taxes

Income tax expense comprises current and deferred income 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.

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

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred 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. Deferred income taxes are not provided on the undistributed earnings of subsidiaries where it is expected that the earnings of the subsidiary will not be distributed in the foreseeable future.

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

In some tax jurisdictions, tax deductions on share-based payments to employees are different from the related cumulative remuneration expenses. If the amount of the tax deduction (or estimated future tax deduction) exceeds the amount of the related cumulative remuneration expense, the excess of the associated tax is recognized directly in retained earnings.

h) Property, plant, and equipment

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

Expenses on existing property, plant, and equipment, including day-to-day repairs, maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

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

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

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

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

Asset description	Asset life (in years)
Buildings	20
Plant and machinery (including air conditioners, electrical installations)	10
Office equipment	5
Computers and networking equipment	4-5 or over the period of lease whichever is lower
Furniture and fixtures	7
Vehicles – owned	5

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

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

i) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Intangible assets are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the

expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss.

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

The intangible assets are amortized over the estimated useful life of the assets as mentioned below except certain Licensed IPRs which include the right to modify, enhance or exploit are amortized in proportion to the expected benefits over the useful life which could range up to 15 years:

Asset description	Asset life (in years)
Software	3
Licensed IPRs	5 to 15
Customer relationships	1 to 10
Customer Contracts	0.5 to 3
Intellectual property rights including brand	2 to 6

j) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

k) Leases

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

Company as a lessee

Company is lessee in case of leasehold land, office space, accommodation for its employees & IT equipment. These leases are evaluated to determine whether it contains a lease based on principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors as defined in Ind AS 116 effective from 1 April 2019.

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

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

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

Company as a lessor

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

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

When arrangements include multiple performance obligations, the Company allocates the consideration in the contract between the lease components and the non-lease components on a relative standalone selling price basis.

l) Inventory

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

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

m) Impairment of non-financial assets

Goodwill

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

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

Intangible assets and property, plant and equipment

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

n) 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 judgment 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.

o) Retirement and other employee benefits

i. State plans: The Company has a saving and Investment Plan under Section 401(k) of the Internal Revenue Code of the United States of America. This is a defined contribution plan. Contributions are charged to statement of Profit and Loss in the period in which they accrue.

ii. Compensated absences: The employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation (using the Projected Unit Credit method) based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the balance sheet date. Accumulated leave, which is expected to be utilized within the next 12 months, is treated as a short-term employee benefit and accumulated leave expected to be carried forward beyond twelve months is treated as a long-term employee benefit for measurement purposes. The expense on non-accumulating compensated absences is recognized in the period in which the absences occur. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

p) Financial Instruments

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

(i) Financial assets

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

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash in banks and remittances in transit, 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 finance 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.

Financial instruments at Fair Value through Other Comprehensive Income

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

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

Financial instruments included within the OCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in other comprehensive income (OCI). Interest income is recognized in statement of profit and loss for debt instruments. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from OCI to statement of profit and loss.

Financial instruments at Fair Value through Profit and loss

Any financial instrument, which does not meet the criteria for categorization at amortized cost or at fair value through other comprehensive income, is classified at fair value through profit and loss. Financial instruments included in the fair

value through profit and loss category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investments

Equity investments in subsidiaries and investments for which sufficient more recent information to measure fair value are not available are measured at cost. Other equity investments in scope of Ind AS 109 are measured at fair value through profit and loss. Contingent considerations recognized by an acquirer in a business combination to which Ind AS 103 applies are classified at fair value through profit and loss.
Equity instruments included within the fair value through profit and loss category are measured at fair value with all changes recognized in the statement of profit and loss.

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.

Financial liabilities at fair value through profit or loss
Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. Changes in fair value of such liability are recognized in the statement of profit or loss.

Financial liabilities at amortized cost

The Company's financial liabilities at amortized cost include trade and other payables, loans and borrowings including bank overdrafts.

After initial recognition, interest-bearing loans and borrowings and other financial liabilities are subsequently measured at amortized cost using the Effective Interest Method (EIR) method. Gains and losses are recognized in 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.

(iii) Derivative financial instruments and hedge accounting

Foreign exchange forward contracts and options are purchased to mitigate the risk of changes in foreign exchange rates associated with forecast transactions denominated in certain foreign currencies.

The Company recognizes all derivatives as assets or liabilities measured at their fair value. Changes in fair value for derivatives not designated in a hedge accounting relationship are marked to market at each reporting date and the related gains (losses) are recognized in the statement of profit and loss as 'foreign exchange gains (losses)'.

The foreign exchange forward contracts and options in respect of forecast transactions which meet the hedging criteria are designated as cash flow hedges. Changes in the derivative fair values (net of tax) that are designated as effective cash flow

hedges are deferred and recorded in the hedging reserve account as a component of accumulated 'other comprehensive income (loss)' until the hedged transaction occurs and are then recognized in the statement of profit and loss. The ineffective portion of hedging derivatives is immediately recognized in the statement of profit and loss.

In respect of derivatives designated as hedges, the Company formally documents all relationships between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Company also formally assesses both at the inception of the hedge and on an ongoing basis, whether each derivative is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Hedge accounting is discontinued prospectively from the last testing date when (1) it is determined that the derivative financial instrument is no longer effective in offsetting changes in the fair value or cash flows of the underlying exposure being hedged; (2) the derivative financial instrument matures or is sold, terminated or exercised; or (3) it is determined that designating the derivative financial instrument as a hedge is no longer appropriate. When hedge accounting is discontinued the deferred gains or losses on the cash flow hedge remain in 'other comprehensive income (loss)' until the forecast transaction occurs. Any further change in the fair value of the derivative financial instrument is recognized in current year earnings.

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.

q) Dividend

Final dividend proposed by the Board of Directors are recognized upon approval by the shareholders who have the right to decrease but not increase the amount of dividend recommended by the Board of Directors. Interim dividends are recognized on declaration by the Board of Directors.

r) Earnings per share (EPS)

Basic EPS amounts are computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the year.

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

s) Nature and purpose of reserves

Securities premium reserve
Securities premium reserve is used to record the premium on issue of shares.

Cash flow hedging reserve
For hedging foreign currency risk, the company uses foreign currency forward and option contracts. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognized in the cash flow hedging reserve. Amounts recognized in the cash flow hedging reserve is reclassified to the statement of profit or loss when the hedged item affects profit or loss.

t) 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.

2. ACQUISITIONS

Acquisitions in the previous year

(i) Strong Bridge & Envision Business Consulting

On 1 April 2019, the Company entered into an agreement to acquire 100% shareholding in Strong Bridge & Envision Business Consulting Group in US doing business in digital transformation consulting. The acquisition will enhance Company's digital consulting offerings with their strong capabilities in digital strategy development, agile program management, business transformation and organizational change management. The total purchase price for the acquisition was USD $ 45. The Company had paid USD $ 44 till 31 March 2020. In addition to the purchase consideration, USD $ 5 is payable to certain key employees over a two-year period. Payment of this amount is in the nature of long term incentive plan to the senior managers of the operating entities that includes retention and performance based bonuses. This consideration is being accounted for as post acquisition employee compensation expense in accordance with ASC 805 on "Business Combination".

On 4 October 2019, the Company and Strong-Bridge Holdings Inc. along with its subsidiaries Strong-Bridge LLC and Envision Business Consulting LLC (collectively referred as the "Merged Entities") entered into a merger agreement. As per the agreement, the Company is the surviving corporation and separate existence of Merged Entities ceases. The Company and the Merged Entities merger constituted a complete liquidation of the Merged Entity within the meaning of Sections 332 and 337 of the Code for US federal income tax purposes.

The assets and liabilities of merged entities have been accounted for at fair value.

Total value of acquired assets and liabilities are as follows:

	Amount (USD)
Net Working capital (Including Cash of $ 1)	10
Deferred tax liabilities	(2)
Property, plant and equipment	0
Customer relationship	8
Customer contracts	1
Brand	1
Goodwill	27
Purchase Consideration	**45**

The resultant goodwill was not considered tax deductible and was allocated to IT and business services segment.

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

	Amount	Life (Years)
Customer relationship	8	9.0
Customer contracts	1	1.0
Brand	1	2.0
Total intangible assets	**10**	

(ii) Acquisition of Select IBM Software products

On 7 December 2018, HCL Technologies Limited ('HCL') had signed a definitive agreement to acquire business relating to select IBM software products, the acquisition though was consummated effective 30 June 2019.

HCL has acquired these products for security, marketing, commerce, and digital solutions along with certain assumed liabilities and in scope employees. With this, HCL gets 100% control on the assets being acquired and has also taken full ownership of the research and development, sales, marketing, delivery and support for these products. Through this acquisition, HCL intends to enhance its products and platforms offering to customers across a wide range of industries and markets.

As part of this deal, the company had paid USD $ 9.78 to IBM in FY 2019-20 and USD $ 9.78 in FY 2020-21.

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

The net assets acquired have been accounted for at fair value.

Total value of acquired assets are as follows:

	Amount (USD)
Customer relationship	5
Goodwill	14
Total	**19**

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

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

Asset description	Amount (USD)	Life (in years)	Basis of amortization
Customer related intangibles	5	10	In proportion of estimated revenue

3. Notes to financial statements

3.1 Property, plant and equipment

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

Particulars	Freehold land	Buildings	Plant and machinery	Office equipment	Computers	Furniture and fittings	Total (USD)
Gross Block as at 1 April 2020	**1**	**10**	**8**	**10**	**140**	**20**	**189**
Additions	-	-	-	1	33	1	35
Acquisition (refer note 3.34)	-	-	-	-	-	-	1
Disposals	-	-	-	-	7	-	7
Gross Block as at 31 March 2021	**1**	**10**	**8**	**11**	**166**	**21**	**218**
Accumulated Depreciation as at 1 April 2020	**-**	**5**	**6**	**7**	**67**	**11**	**96**
Charge for the year	-	-	-	1	33	2	36
Deduction	-	-	-	-	1	-	1
Accumulated Depreciation as at 31 March 2021	**-**	**5**	**6**	**8**	**99**	**13**	**132**
Net Block as at 31 March 2021	**1**	**5**	**2**	**3**	**67**	**8**	**86**
Net Block as at 31 March 2020	**1**	**5**	**2**	**3**	**73**	**9**	**93**

Particulars	Freehold land	Buildings	Plant and machinery	Office equipment	Computers	Furniture and fittings	Total (Refer note 1(a)) (₹)
Gross Block as at 1 April 2020	**75**	**707**	**576**	**733**	**10,226**	**1,465**	**13,782**
Additions	-	-	27	95	2,309	68	2,499
Acquisition (refer note 3.34)	-	-	-	3	28	35	66
Disposals	-	-	-	-	525	-	525
Gross Block as at 31 March 2021	**75**	**707**	**603**	**831**	**12,038**	**1,568**	**15,822**
Accumulated Depreciation as at 1 April 2020	**-**	**367**	**410**	**539**	**4,878**	**794**	**6,988**
Charge for the year	-	35	25	67	2,394	153	2,674
Deduction	-	-	-	-	95	-	95
Accumulated Depreciation as at 31 March 2021	**-**	**402**	**435**	**606**	**7,177**	**947**	**9,567**
Net Block as at 31 March 2021	**75**	**305**	**168**	**225**	**4,861**	**621**	**6,255**

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

Particulars	Freehold land	Buildings	Plant and machinery	Office equipment	Computers	Furniture and fittings	Total (USD)
Gross Block as at 1 April 2019	**1**	**10**	**9**	**9**	**125**	**20**	**174**
Additions	-	-	-	1	39	1	41
Disposals	-	-	1	-	24	1	26
Gross Block as at 31 March 2020	**1**	**10**	**8**	**10**	**140**	**20**	**189**
Accumulated Depreciation as at 1 April 2019	**-**	**4**	**7**	**6**	**62**	**9**	**88**
Charge for the year	-	1	-	1	27	3	32
Deduction	-	-	1	-	22	1	24
Accumulated Depreciation as at 31 March 2020	**-**	**5**	**6**	**7**	**67**	**11**	**96**
Net Block as at 31 March 2020	**1**	**5**	**2**	**3**	**73**	**9**	**93**

3.2 Goodwill

The following table presents the change in the carrying value of Goodwill based on new identified CGUs for the year ended 31 March 2020

Particulars	IT and Business Services	Engineering and R&D Services	Products and Platforms	Total (USD)
Opening balance as at 1 April 2019	297	-	-	297
Acquisition through business combination	27	-	14	41
Closing balance as at 31 March 2020	**324**	**-**	**14**	**338**

The following table presents the change in Goodwill for the year ended 31 March 2021

Particulars	IT and Business Services	Engineering and R&D Services	Products and Platforms	Total (USD)
Opening balance as at 1 April 2020	324	-	14	338
Closing balance as at 31 March 2021	**324**	**-**	**14**	**338**

Particulars	IT and Business Services	Engineering and R&D Services	Products and Platforms	Total (Refer note 1(a)) (₹)
Opening balance as at 1 April 2020	23,662	-	1,023	24,685
Closing balance as at 31 March 2021	**23,662**	**-**	**1,023**	**24,685**

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

Goodwill is tested annually on March 31, for impairment, or sooner whenever there is an indication that goodwill may be impaired. Impairment is recognised, when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The estimated value-in-use of this CGU is based on the future cash flow forecasts for 5 to 8 years & then on perpetuity on the basis of certain assumptions which include revenue growth, earnings before interest and taxes, taxes, capital outflow and working capital requirements. The assumptions are taken on the basis of past trends and management estimates and judgement. Future cash flows are discounted with "Weighted Average Cost of Capital". The key assumptions are as follows:

	As at	
	31 March 2021	**31 March 2020**
Growth rate (%)	2.0 to 5.0	1.0 to 5.0
Terminal growth rate (%)	1.0	1.0
Discount rate (%)	8.23	7.6

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

3.3 Other Intangible assets

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

Intangible Assets	Software	Licensed IPRs	Customer relationships	Customer Contracts	Intellectual property rights	Total (USD)
Gross Block as at 1 April 2020	**49**	**24**	**15**	**2**	**1**	**90**
Additions	3	82	7	7	-	99
Deletions	21	-	-	-	-	21
Gross Block as at 31 March 2021	**31**	**106**	**22**	**9**	**1**	**168**
Accumulated amortization as at 1 April 2020	41	8	2	2	1	54
Charge for the year	6	13	3	4	-	26
Deletions	20	-	-	-	-	20
Accumulated amortization as at 31 March 2021	**27**	**22**	**11**	**7**	**1**	**67**
Net Block as at 31 March 2021	**4**	**84**	**11**	**2**	**0**	**101**
Net Block as at 31 March 2020	**8**	**16**	**13**	**-**	**1**	**36**

Intangible Assets	Software	Licensed IPRs	Customer relationships	Customer Contracts	Intellectual property rights	Total (₹)(Refer note 1(a))
Gross Block as at 1 April 2020	**3,590**	**1,717**	**1,086**	**140**	**84**	**6,617**
Additions	195	5,958	18	473	-	6,644
Deletions	1499	-	-	-	-	1,499
Gross Block as at 31 March 2021	**2,286**	**7,675**	**1,104**	**613**	**84**	**11,762**
Accumulated amortization as at 1 April 2020	3,001	605	157	140	55	3,958
Charge for the year	424	901	243	320	-	1,888
Deletions	1,475	-	-	-	-	1,475
Accumulated amortization as at 31 March 2021	**1,950**	**1,506**	**400**	**460**	**55**	**4,371**
Net Block as at 31 March 2021	**336**	**6,169**	**704**	**153**	**29**	**7,391**

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

Intangible Assets	Software	Licensed IPRs	Customer relationships	Customer Contracts	Intellectual property rights	Total (USD)
Gross Block as at 1 April 2019	**46**	**14**	**1**	**1**	**-**	**62**
Additions	6	10	14	1	1	32
Deletions	3	-	-	-	-	3
Gross Block as at 31 March 2020	**49**	**24**	**15**	**2**	**1**	**90**
Accumulated amortization as at 1 April 2019	**34**	**4**	**1**	**1**	**-**	**40**
Charge for the year	7	4	1	1	1	14
Accumulated amortization as at 31 March 2020	**41**	**8**	**2**	**2**	**1**	**54**
Net Block as at 31 March 2020	**8**	**16**	**13**	**0**	**1**	**36**

3.4 Investments

	As at		
	31 March 2021 (USD)	**31 March 2020 (USD)**	**31 March 2021 (Refer note 1(a)) (₹)**
Financial assets			
Non-current			
Unquoted investments			
Equity Investment in subsidiary companies carried at cost (fully paid up)			
Nil (previous year: 1,050,100) equity shares of INR 10 each, in HCL Technologies Solutions Limited	-	-	-
10 (previous year: 10) equity shares of USD 1,000 each, in HCL America Solution Inc.	-	-	1
8,110,000 (previous year: 8,110,000) equity shares of GBP 1 each, in HCL Insurance BPO Services Limited	-	-	1
Investment in Butler America Aerospace LLC	83	83	6,067
250 (Previous year:250) equity shares of USD 5 each, in Powerteam LLC (refer note 3.34)	36	36	2,633
Investment in Urban Fulfillment Services LLC	20	20	1,467
2000 (Previous year: 2000) equity shares of USD 1 each , in Telerx Marketing, Inc.	66	66	4,821
16,400 (Previous year:16,400) equity shares of USD 0.001 each, in HCL Technologies SEP Holdings Inc	164	164	11,889
Equity Investment in fellow subsidiary companies (fully paid up)			
756,320 (previous year 756,320) equity shares of ARS 1 each, in HCL Argentina S.A.	-	-	9
1 (previous year 1) equity shares of MXN 1 each, in HCL Technologies Mexico S.DE.R.L.DE.C.V.	-	-	-
	369	**369**	**26,988**
Carried at fair value through profit or loss			
Investment in Morado Venture Partners II, L.P.	6	6	473
Share of profit(loss) in limited liability partnership	2	-	94
	8	**6**	**567**
Total investments – financial assets	**377**	**375**	**27,555**
Aggregate amount of unquoted investments	**377**	**375**	**27,555**
Equity instruments carried at cost	**369**	**369**	**26,988**
Investment carried at fair value through profit and loss	**8**	**6**	**567**

3.5 Financial Assets- Loans

	As at		
	31 March 2021 (USD)	**31 March 2020 (USD)**	**31 March 2021 (Refer note 1(a)) (₹)**
Non-Current			
Carried at amortized cost			
Loans to related party (refer note 3.31 (e))	99	115	7,203
	99	**115**	**7,203**
Current			
Carried at amortized cost			
Unsecured, considered good			
Loans to related party (refer note 3.31 (e))	61	84	4,471
Loan to employees	-	-	4
	61	**84**	**4,475**

3.6 Other financial assets

	As at		
	31 March 2021 (USD)	**31 March 2020 (USD)**	**31 March 2021 (Refer note 1(a)) (₹)**
Non-Current			
Carried at amortized cost			
Finance lease receivables (refer note 3.28)	62	49	4,515
Security Deposits	1	1	72
Unbilled receivables	45	46	3,282
	108	**96**	**7,869**
Current			
Carried at amortized cost			
Unbilled receivables	115	125	8,412
Unbilled receivables -related parties (refer note 3.31 (e))	110	26	8,021
Interest receivable-related parties (refer note 3.31 (e))	1	2	72
Security deposits	1	1	88
Finance lease receivables (refer note 3.28)	59	30	4,293
	286	**184**	**20,886**

3.7 Other non-current assets

	As at		
	31 March 2021 (USD)	**31 March 2020 (USD)**	**31 March 2021 (Refer note 1(a)) (₹)**
Unsecured considered good unless otherwise stated			
Capital advances	-	1	-
Others:			
Prepaid expenses	23	32	1,685
Deferred contract cost (refer note 3.19)	35	30	2,573
	58	**63**	**4,258**

3.8 Inventories

	As at		
	31 March 2021 (USD)	**31 March 2020 (USD)**	**31 March 2021 (Refer note 1(a)) (₹)**
Stock-in-trade	1	3	31
	1	**3**	**31**

3.9 Trade receivables

	As at		
	31 March 2021 (USD)	**31 March 2020 (USD)**	**31 March 2021 (Refer note 1(a)) (₹)**
Unsecured, considered good (refer note below)	859	773	62,786
Trade receivables - credit impaired	8	8	607
	867	**781**	**63,393**
Impairment allowance for bad and doubtful debts	(11)	(11)	(819)
	856	**769**	**62,574**

Note:
Trade receivables include receivables from related parties amounting to USD 560 (₹40,960), (previous year: USD 427), refer note 3.31 (e).

3.10 Cash and bank balances

	As at		
	31 March 2021 (USD)	31 March 2020 (USD)	31 March 2021 (Refer note 1(a)) (₹)
Cash and cash equivalents			
Balance with banks			
- in current accounts	69	79	5,041
Remittances in Transit	-	-	13
	69	**79**	**5,054**

3.11 Other Current assets

	As at		
	31 March 2021 (USD)	31 March 2020 (USD)	31 March 2021 (Refer note 1(a)) (₹)
Unsecured , considered good			
Advances other than capital advances			
Advances to employees	-	-	23
Advances to suppliers	4	3	273
Others			
Deferred contract cost (refer note 3.19)	26	29	1,886
Deferred contract cost-related parties (refer note 3.19 & 3.31 (e))	18	8	1,322
Prepaid Expenses	68	66	5,005
Prepaid Expenses-related parties (refer note 3.31 (e))	1	-	76
Contract Assets (refer note 3.35 and 3.19)	4	26	312
Other advances	1	1	77
	122	**133**	**8,976**
Unsecured , considered doubtful			
Advances other than capital advances			
Other advances	1	1	98
Less: Provision for doubtful advances	(1)	(1)	(98)
	-	-	-
	122	**133**	**8,976**

3.12 Share Capital

	As at		
	31 March 2021 (USD)	31 March 2020 (USD)	31 March 2021 (Refer note 1(a)) (₹)
Authorized 10,000,000 (previous year: 10,000,000) equity shares of USD 1 each	10	10	731
Issued, subscribed and fully paid up 7,474,410 (previous year: 7,474,410) equity shares of USD 1 each	7	7	546

Term/rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of USD 1. Each holder of equity shares is entitled to one vote per share.

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

a) Reconciliation of the number of shares outstanding at the beginning and at the end of the period

	As at					
	31 March 2021		31 March 2020		31 March 2021	
	No. of shares	USD	No. of shares	USD	No. of shares	(₹) (Refer note 1(a))
Number of shares at the beginning	7,474,410	7	7,474,410	7	7,474,410	546
Number of shares at the end	**7,474,410**	**7**	**7,474,410**	**7**	**7,474,410**	**546**

b) Details of shareholders holding more than 5 % shares are as follows

Name of the shareholder	As at			
	31 March 2021		31 March 2020	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of USD 1 each, fully paid				
HCL Bermuda Limited, Bermuda, the Holding Company	6,089,870	81.48%	6,089,870	81.48%
Axon Group Limited, UK	1,384,540	18.52%	1,384,540	18.52%

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

c) There are no bonus shares issued, no shares issued for consideration other than cash and no shares bought back during the period of five years immediately preceding the reporting date.

Capital management

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

3.13 Borrowings

	Non-Current			Current		
	As at			As at		
	31 March 2021 (USD)	31 March 2020 (USD)	31 March 2021 (Refer note 1(a)) (₹)	31 March 2021 (USD)	31 March 2020 (USD)	31 March 2021(Refer note 1(a)) (₹)
Long term borrowings						
Secured						
Term loan from bank	-	297	-	-	-	-
Senior notes (refer note 1 below)	495	-	36,210	-	-	-
	495	**297**	**36,210**	**-**	**-**	**-**
Short term borrowings						
Unsecured						
From Bank:						
Bank overdraft	-	-	-	-	110	-
Term loan from bank	-	-	-	-	100	-
From Others:						
From related parties (refer note 3.31 (e)) (refer note 2 below)	-	-	-	12	21	852
	-	**-**	**-**	**12**	**231**	**852**
	495	**297**	**36,210**	**12**	**231**	**852**

Notes:

1. On 10 March 2021, the Company issued USD 500 unsecured notes due 2026 (the "notes"). The notes bear interest at a rate of 1.375% per annum and will mature on 10 March 2026. Interest on the notes will be paid semi-annually on 10 March and 10 September of each year, commencing from 10 September 2021. The notes are listed on Singapore Exchange Securities Trading Limited (SGX-ST). The notes were issued at the discount price of 99.510% against par value and have an effective interest rate of 1.58% p.a. after considering the issue expenses and discount of USD 5.
   HCL Technologies Ltd (the holding company), has given guarantee of USD 500 in relation to these notes.
2. The Company has availed the credit from related parties at interest rate LIBOR+100 bps which is repayable on demand.

3.14 Other financial liabilities

	As at		
	31 March 2021 (USD)	**31 March 2020 (USD)**	**31 March 2021 (Refer note 1(a)) (₹)**
Non-Current			
Carried at amortized cost			
Employee bonuses accrued	2	15	114
Capital Accounts Payable	65	-	4,745
Carried at fair value through other comprehensive income			
Unrealized Loss on derivative financial instruments (refer note 3.30)	-	5	-
	67	**20**	**4,859**
Current			
Carried at amortized cost			
Interest accrued but not due on borrowings	-	2	30
Accrued salaries and benefits			
Employee bonuses accrued	94	78	6,887
Other employee costs	50	39	3,638
Others			
Liabilities for expenses	221	198	16,191
Liabilities for expenses - related parties (refer note 3.31 (e))	43	43	3,138
Capital accounts payables	27	12	1,950
Interest payable - related parties (refer note 3.31 (e))	-	-	6
Deferred consideration	-	10	-
Supplier credit	-	10	-
Book overdraft	-	1	-
	435	**393**	**31,840**
Carried at fair value through profit and loss			
Unrealized loss on derivative financial instruments (refer note 3.30)	-	2	3
Others	2	1	79
	437	**396**	**31,922**

3.15 Provisions

	As at		
	31 March 2021 (USD)	**31 March 2020 (USD)**	**31 March 2021 (Refer note 1(a)) (₹)**
Non-Current			
Provision for employee benefits			
Provision for leave benefits	20	18	1,446
	20	**18**	**1,446**
Current			
Provision for employee benefits			
Provision for leave benefits	18	18	1,321
	18	**18**	**1,321**

3.16 Other non-current liabilities

	As at		
	31 March 2021 (USD)	31 March 2020(USD)	31 March 2021 (Refer note 1(a)) (₹)
Contract liabilities (refer note 3.19)	8	8	604
	8	**8**	**604**

3.17 Trade Payables

	As at		
	31 March 2021 (USD)	31 March 2020 (USD)	31 March 2021 (Refer note 1(a)) (₹)
Trade payables	106	62	7,767
Trade payables - related parties (refer note 3.31 (e))	88	132	6,429
	194	**194**	**14,196**

3.18 Other current liabilities

	As at		
	31 March 2021 (USD)	31 March 2020 (USD)	31 March 2021 (Refer note 1(a)) (₹)
Contract liabilities (refer note 3.19)	58	45	4,231
Other advances			
Advances received from customers	11	12	804
Others			
Withholding and other taxes payable	2	-	119
	71	**57**	**5,154**

3.19 Revenue from operations

	Year ended		
	31 March 2021 (USD)	31 March 2020 (USD)	31 March 2021 (Refer note 1(a)) (₹)
Sale of services	2,867	3,219	209,591
Sale of hardware and software	92	123	6,758
	2,959	**3,342**	**216,349**

Disaggregate Revenue Information

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

	Year ended		
	31 March 2021 (USD)	31 March 2020 (USD)	31 March 2021 (Refer note 1(a)) (₹)
Fixed price	1,814	2,092	132,634
Time and material	1,145	1,250	83,715
	2,959	**3,342**	**216,349**

Of the above fixed price revenue, IT and Business Services account for 76%, Engineering and R&D Services account for 10% and Products & Platforms account for 14%. For time and material revenue, IT and Business Services account for 72%, Engineering and R&D Services account for 27% and Products & Platforms account for 1%.

Revenue disaggregation as per geography has been included in segment information (Refer note 3.29).

Remaining performance obligations

As at 31 March 2021, the aggregate amount of transaction price allocated to remaining performance obligations as per the requirements of Ind AS 115 was $ 2,046 (₹149,611) (31 March 2020 $ 2,040) out of which, approximately 38% (31 March 2020 36%) is expected to be recognized as revenues within one year and the balance beyond one year. This is after exclusions as below:

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

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

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

Contract balances

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

Out of $ 4 contract assets as on 31 March 2021, $ 4 fully pertains to the current year.

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

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

	Year ended		
	31 March 2021 (USD)	**31 March 2020 (USD)**	**31 March 2021 (Refer note 1(a)) (₹)**
Balance as at beginning of the year	53	53	3,909
Additional amounts billed	36	30	2,668
Deduction on account of revenues recognized during the year	(24)	(30)	(1,742)
Balance as at end of the year	**66**	**53**	**4,835**

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

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

	Year ended		
	31 March 2021 (USD)	**31 March 2020 (USD)**	**31 March 2021 (Refer note 1(a)) (₹)**
Balance as at beginning of the year	67	84	4,933
Additional cost capitalized during the year	26	26	1,907
Deduction on account of cost amortized during the year	(14)	(43)	(1,059)
Balance as at end of the year	**79**	**67**	**5,781**

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

	Year ended		
	31 March 2021 (USD)	**31 March 2020 (USD)**	**31 March 2021 (Refer note 1(a)) (₹)**
Contracted price	2,979	3,355	217,830
Reduction towards variable consideration components	(20)	(13)	(1,481)
Revenue recognized	**2,959**	**3,342**	**216,349**

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

3.20 Other Income

	Year ended		
	31 March 2021 (USD)	**31 March 2020 (USD)**	**31 March 2021 (Refer note 1(a)) (₹)**
Interest income			
- Related party (refer note 3.31 (d))	7	9	499
- Others	7	1	479
Dividends from subsidiary companies (refer note 3.31 (d))	37	25	2,705
Rental income – related party (refer note 3.31 (d))	4	-	275
Exchange differences (net)	-	1	-
Fair value changes on liabilities carried at fair value through profit and loss			
-Share of profit in limited liability partnership	1	-	94
Miscellaneous income	1	-	81
	57	**37**	**4,133**

3.21 Changes in inventories of stock-in-trade

	Year ended		
	31 March 2021 (USD)	**31 March 2020 (USD)**	**31 March 2021 (Refer note 1(a)) (₹)**
Opening stock	3	2	213
Less: Closing stock	(1)	(3)	(31)
	2	**(1)**	**182**

3.22 Employee benefit expenses

	Year ended		
	31 March 2021 (USD)	**31 March 2020 (USD)**	**31 March 2021 (Refer note 1(a)) (₹)**
Salaries, wages and bonus	1,408	1,572	102,932
Contribution to employee benefits	147	174	10,720
Staff welfare expenses	-	2	33
	1,555	**1,748**	**113,685**

3.23 Finance cost

	Year ended		
	31 March 2021 (USD)	**31 March 2020 (USD)**	**31 March 2021 (Refer note 1(a)) (₹)**
Interest			
-on loan from bank	14	13	990
-others-related party (refer note 3.31 (d))	-	1	23
-Lease Liabilities (refer note 3.28)	2	2	130
-others	2	4	155
Bank charges	1	-	65
	19	**18**	**1,363**

3.24 Other expenses

	Year ended		
	31 March 2021 (USD)	**31 March 2020 (USD)**	**31 March 2021 (Refer note 1(a)) (₹)**
Rent (refer note 3.28)	1	2	66
Power and fuel	4	4	303
Insurance	5	5	396
Repairs and maintenance			
- Plant and machinery	1	1	93
- Buildings	-	-	32
- Others	7	9	538
Communication costs	11	8	773
Travel and conveyance	12	79	841
Business Promotion	10	22	741
Legal and professional charges	22	27	1,575
Recruitment, training and development	4	3	271
Provision for doubtful debts/ bad debts	3	5	189
Loss on sale of property, plant and equipment (net)	-	-	24
Exchange Difference (net)	-	-	33
Miscellaneous expenses	6	16	380
	86	**181**	**6,255**

3.25 Income taxes

	Year ended		
	31 March 2021 (USD)	**31 March 2020 (USD)**	**31 March 2021 (Refer note 1(a)) (₹)**
Income tax charged to statement of profit and loss			
Current income tax charge	39	43	2,901
Deferred tax credit	(13)	(13)	(968)
	26	**30**	**1,933**
Income tax charged to Other comprehensive income			
Expense (benefit) on revaluation of cash flow hedges	(2)	2	(142)
	(2)	**2**	**(142)**

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

	Year ended		
	31 March 2021 (USD)	**31 March 2020 (USD)**	**31 March 2021 (Refer note 1(a)) (₹)**
Profit before income tax	169	168	12,366
Statutory tax rate in USA	26.86%	26.95%	26.86%
Expected tax expense	45	45	3,321
Permanent Difference	-	(1)	8
Deemed dividend	(10)	(7)	(727)
Tax reversal /correction of prior year tax	(3)	(4)	(231)
Employee stock compensation cost	-	1	-
Others	(6)	(4)	(438)
Total taxes	**26**	**30**	**1,933**
Effective income tax rate	15.63%	18.04%	15.63%

Components of deferred tax assets and liabilities as on 31 March 2021 **(USD)**

	Opening balance	Recognized in profit and loss	Recognized in / reclassified from OCI	Acquisition	Closing balance
Deferred tax assets					
Business losses	2	-	-	-	2
Provision for doubtful debts	3	-	-	-	3
Accrued employee costs	36	8	-	-	44
Unrealized loss on derivative financial instruments	2	-	(2)	-	-
Provision for US sales tax	1	(1)	-	-	-
Others	10	4	-	-	14
Gross deferred tax assets (A)	**54**	**11**	**(2)**	**-**	**63**
Deferred tax liabilities					
Depreciation and amortization	17	1	-	-	18
Others	6	(3)	-	-	3
Gross deferred tax liabilities (B)	**23**	**(2)**	**-**	**-**	**21**
Net deferred tax assets (A-B)	**30**	**13**	**(2)**	**-**	**41**

	Opening balance	Recognized in profit and loss	Recognized in / reclassified from OCI	Acquisition	Closing balance (Refer note 1(a)) (₹)
Deferred tax assets					
Business losses	144	(22)	-	-	122
Provision for doubtful debts	222	(2)	-	-	220
Accrued employee costs	2,617	599	-	-	3,216
Unrealized loss on derivative financial instruments	142	-	(142)	-	-
Provision for US sales tax	74	(74)	-	-	-
Others	744	315	-	-	1,059
Gross deferred tax assets (A)	**3,943**	**816**	**(142)**	**-**	**4,617**
Deferred tax liabilities					
Depreciation and amortization	1,300	78	-	-	1,378
Others	463	(230)	-	-	233
Gross deferred tax liabilities (B)	**1,763**	**(152)**	**-**	**-**	**1,611**
Net deferred tax assets (A-B)	**2,181**	**968**	**(142)**	**-**	**3,006**

Components of deferred tax assets and liabilities as on 31 March 2020 **(USD)**

	Opening balance	Recognized in profit and loss	Recognized in / reclassified from OCI	Acquisition	Closing balance
Deferred tax assets					
Business losses	3	(1)	-	-	2
Provision for doubtful debts	2	1	-	-	3
Accrued employee costs	29	7	-	-	36
Unrealized loss on derivative financial instruments	-	-	2	-	2
Provision for US sales tax	-	1	-	-	1
Others	12	(3)	-	1	10
Gross deferred tax assets (A)	**46**	**5**	**2**	**1**	**54**
Deferred tax liabilities					
Depreciation and amortization	17	-	-	-	17
Others	11	(8)	-	3	6
Gross deferred tax liabilities (B)	**28**	**(7)**	**-**	**3**	**23**
Net deferred tax assets (A-B)	**18**	**13**	**2**	**(2)**	**30**

3.26 Components of other comprehensive income attributable to shareholders of the Company

Particulars	Year Ended		
	31 March 2021 (USD)	31 March 2020 (USD)	31 March 2021 (Refer note 1(a)) (₹)
Items that will be reclassified subsequently to statement of profit and loss			
Cash flow hedging reserve			
Opening balance (net of tax)	(5)	-	(353)
Unrealized gains (losses)	7	(7)	495
Income tax benefit (expense)	(2)	2	(142)
Closing balance (net of tax)	**-**	**(5)**	**-**

3.27 Earning per share

Particulars	Year Ended		
	31 March 2021 (USD)	31 March 2020 (USD)	31 March 2021 (Refer note 1(a)) (₹)
Profit for the year attributable to shareholders of the Company	143	138	10,433
Weighted average number of equity shares outstanding in calculating Basic EPS	7,474,410	7,474,410	7,474,410
Weighted average number of equity shares outstanding in calculating dilutive EPS	7,474,410	7,474,410	7,474,410
Nominal value of equity shares	1	1	73.0
Earnings per equity share			
- Basic	19.13	18.40	1,395.88
- Diluted	19.13	18.40	1,395.88

3.28 Leases

a) Company as a lessee

The Company's significant leasing arrangements are in respect of leases for office spaces & accommodation for its employees and IT equipment.
The details of right-of-use asset held by the Company is as follows:

Particulars	Buildings	Computers and networking equipment's	Total
Balance as at 1 April 2019	53	-	53
Additions	3	9	12
Depreciation charge for the year	13	6	19
Balance as at 31 March 2020	**43**	**3**	**46**
Balance as at 1 April 2020	43	3	46
Additions	4	7	11
Acquisition through business combination (refer note 3.34)	1	-	1
Depreciation charge for the year	14	5	19
Balance as at 31 March 2021	**34**	**5**	**39**

(₹)

Particulars	Buildings	Computers and networking equipment's	Total
Balance as at 1 April 2020	3,083	262	3,345
Additions	307	478	785
Acquisition through business combination (refer note 3.34)	96	-	96
Depreciation charge for the year	1,018	362	1,380
Balance as at 31 March 2021	**2,468**	**378**	**2,846**

The reconciliation of lease liabilities is as follows:

Particulars	Year ended		
	31 March 2021	31 March 2020	31 March 2021(Refer note 1(a)) (₹)
Balance as at beginning of the year	87	-	6,355
Additions	25	49	1,855
Transition impact of Ind AS 116	-	72	-
Acquisition through business combination (refer note 3.34)	1	-	73
Amounts recognized in statement of profit and loss as interest expense	2	2	130
Payment of lease liabilities	(49)	(35)	(3,604)
Balance as at end of the year	**66**	**87**	**4,809**

The lease rental expense recognized in the statement of profit and loss account for the year is USD 1 (66).

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

Particulars	As at		
	31 March 2021	31 March 2020	31 March 2021(Refer note 1(a)) (₹)
Within one year	30	32	2,204
One to two years	21	28	1,525
Two to three years	13	22	962
Three to five years	4	11	328
Thereafter	1	-	39
Total lease payments	69	94	5,058
Imputed interest	(3)	(7)	(249)
Total lease liabilities	**66**	**87**	**4,809**

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

b) Company as a lessor

The Company has given IT equipments to its customers on a finance lease basis. The future lease receivables in respect of assets given on finance lease are as follows:

	Total minimum lease payments outstanding	Interest included in minimum lease payments	Present value of minimum lease payments
31 March 2021			
Not later than one year	62	3	59
Later than one year but not later than five years	64	2	62
	126	**5**	**121**
31 March 2020			
Not later than one year	33	2	31
Later than one year but not later than five years	52	3	49
	85	**5**	**80**
31 March 2021 (₹)			
Not later than one year	4,499	206	4,293
Later than one year but not later than five years	4,717	202	4,515
	9,216	**408**	**8,808**

3.29 Segment reporting

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

The company has organized itself into the following segments.

IT and Business Services provide a comprehensive portfolio of IT & Business Services (Application, Infrastructure and Digital Process Operations) and Digital transformation services enabled by Digital and Analytics, IoTWoRKs, Cloud native

and Cybersecurity solutions including products developed within these businesses.

Engineering and R&D Services provides comprehensive engineering services and solutions across software, embedded, mechanical, VLSI and platform engineering that support the end-to-end lifecycle of products – both hardware and software across diverse industries including products developed within this business.

Products & Platforms includes standalone product businesses that provide modernized software products to global clients for their technology and industry specific requirements.

Segment accounting policies
The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments and are as set out in note 1 to the financial statements on significant accounting policies. The accounting policies in relation to segment accounting are as under:

a) Segment revenue & expenses
Segment revenue is directly attributable to the segment and segment expenses have been allocated to various segments on the basis of specific identification. However, segment revenue does not include other income. Segment expenses do not include finance cost, exchange differences and tax expense.

b) Segment assets and liabilities
Assets and liabilities are not identified to any reportable segments, since these are used interchangeably across segments and consequently, the management believes that it is not practicable or meaningful to provide segment disclosures relating to total assets and liabilities.

Financial information about the business segments for the year ended 31 March 2021 is as follows: **(USD)**

	IT and Business Service	Engineering and R&D Services	Products & Platforms	Total
Segment Revenues	2,203	483	273	2,959
Segment results	73	52	6	131
Unallocated corporate expenses:				
Finance cost				(19)
Other income				57
Profit before tax				**169**
Tax expense				(26)
Profit for the year				**143**
Significant non-cash items				
Depreciation and amortization	57	2	22	81
Provision for doubtful debts & advances / Bad debts & advances written off				**3**

Financial information about the business segments for the year ended 31 March 2021 is as follows:

	IT and Business Service	Engineering and R&D Services	Products & Platforms	Total (Refer note 1(a)) (₹)
Segment Revenues	161,117	35,294	19,938	216,349
Segment results	5,391	3,785	420	9,596
Unallocated corporate expenses:				
Finance cost				(1,363)
Other income				4,133
Net profit before taxes				**12,366**
Tax expense				(1,933)
Net profit after taxes				**10,433**
Significant non-cash adjustments				
Depreciation and amortization	4,156	164	1,622	5,942
Provision for doubtful debts & advances / Bad debts & advances written off				**189**

Financial information about the business segments for the year ended 31 March 2020 is as follows: **(USD)**

	IT and Business Service	Engineering and R&D Services	Products & Platforms	Total
Segment Revenues	2,352	624	366	3,342
Segment results	48	68	33	149
Unallocated corporate expenses:				
Finance cost				(18)
Other income				37
Net profit before taxes				**168**
Tax expense				(30)
Net profit after taxes				**138**
Significant non-cash adjustments				
Depreciation and amortization	53	3	9	65
Provision for doubtful debts & advances / Bad debts & advances written off				**5**

Segment revenue from customers by geographic area based on location of the customer is as follows:

	Year ended		
	31 March 2021 (USD)	31 March 2020 (USD)	31 March 2021 (Refer note 1(a)) (₹)
America	1,704	3,253	124,581
Europe	744	56	54,402
India	475	8	34,740
Rest of the world	36	25	2,626
	2,959	**3,342**	**216,349**

During the year ended 31 March 2021 and 2020, no single customer represents 10% or more of the company's total revenue and the top five customers accounted for 20.2% and 21.6% of the revenue of the company the year ended 31 March 2021 and 2020 respectively.

The company operates out of various geographies and America constitute major portion of revenue. In case of IT and Business Services approximately 77% and 74% of revenues respectively and in Engineering and R&D services approximately 18% and 16% revenue respectively are generated in America, and the balance is generated by other geographies during financial year 2021 and 2020 respectively. Products & Platforms segment generates approximately 5% and 10% revenue from America, and remaining geographies generate rest of revenue during the financial year 2021 and 2020 respectively.

3.30 Financial Instruments

(a) Derivatives

The Company is exposed to foreign currency fluctuations on foreign currency assets / liabilities and forecast cash flows denominated in foreign currency. The use of derivatives to hedge foreign currency forecasted cash flows is governed by the Company's strategy, which provides principles on the use of such forward contracts and currency options consistent with the Company's Risk Management Policy. The counterparty in these derivative instruments are banks and the Company considers the risks of non-performance by the counterparty as non-material. A majority of the forward foreign exchange/option contracts mature between one to twelve months and the forecasted transactions are expected to occur during the same period. The Company does not use forward contracts and currency options for speculative purposes.

The following table presents the aggregate notional principal amounts of the outstanding derivative forward covers together with the related balance sheet exposure:

Foreign exchange forward denominated in	Notional currency	Notional Principal amounts			Balance sheet exposure asset (liability)		
		31 March 2021 (USD)	31 March 2020 (USD)	31 March 2021 (Refer note 1(a)) (₹)	31 March 2021 (USD)	31 March 2020 (USD)	31 March 2021 (Refer note 1(a)) (₹)
Buy covers							
USD/JPY	JPY	45	-	3,290	(0)	-	(0)
USD/CZK	CZK	-	30	-	-	(0)	-
USD/BGN	BGN	7	-	497	(0)	-	(0)
USD/CHF	CHF	1	-	73	0	-	0

As of the balance sheet date, the Company's net foreign currency exposure that is not hedged is (USD 2) (₹166) (previous year: USD 5).

(b) Financial assets and liabilities

The carrying value of financial instruments by categories as at 31 March, 2021 is as follows: **(USD)**

	Fair value through profit and loss	Fair value through Other comprehensive income	Amortized cost	Total Carrying Value
Financial Assets				
Investments	8	-	-	8
Trade receivables	-	-	856	856
Cash and cash equivalents	-	-	69	69
Loans	-	-	160	160
Others (refer note 3.6)	-	-	394	394
Total	**8**	**-**	**1,479**	**1,487**
Financial Liabilities				
Borrowings	-	-	507	507
Trade payables	-	-	194	194
Others (refer note 3.14)	0	-	504	504
Total	**0**	**-**	**1,205**	**1,205**

The carrying value of financial instruments by categories as at 31 March 2021 is as follows: **(₹) (Refer note 1(a))**

	Fair value through profit and loss	Fair value through Other comprehensive income	Amortized cost	Total Carrying Value
Financial Assets				
Investments	567	-	-	567
Trade receivables	-	-	62,574	62,574
Cash and cash equivalents	-	-	5,054	5,054
Loans	-	-	11,678	11,678
Others (refer note 3.6)	-	-	28,755	28,755
Total	**567**	**-**	**108,061**	**108,628**
Financial Liabilities				
Borrowings	-	-	37,062	37,062
Trade payables	-	-	14,196	14,196
Others (refer note 3.14)	3	-	36,781	36,784
Total	**3**	**-**	**88,039**	**88,042**

The carrying value of financial instruments by categories as at 31 March, 2020 is as follows: **(USD)**

	Fair value through profit and loss	Fair value through Other comprehensive income	Amortized cost	Total Carrying Value
Financial Assets				
Investments	6	-	-	6
Trade receivables	-	-	769	769
Cash and cash equivalents	-	-	79	79
Loans	-	-	199	199
Others (refer note 3.6)	-	-	280	280
Total	**6**	**-**	**1,327**	**1,333**
Financial Liabilities				
Borrowings	-	-	528	528
Trade payables	-	-	194	194
Others (refer note 3.14)	2	5	409	416
Total	**2**	**5**	**1,131**	**1,138**

Fair value hierarchy

The assets and liabilities measured at fair value on a recurring basis as at 31 March 2021 and the basis for that measurement is as below:

(USD)

	Fair value	Level 1 inputs	Level 2 inputs	Level 3 inputs
Assets				
Investments carried at fair value through profit and loss	8	-	-	8

(₹) (Refer note 1(a))

	Fair value	Level 1 inputs	Level 2 inputs	Level 3 inputs
Assets				
Investments carried at fair value through profit and loss	567	-	-	567

The following table discloses the assets and liabilities measured at fair value on a recurring basis as at 31 March 2020 and the basis for that measurement:

(USD)

	Fair value	Level 1 inputs	Level 2 inputs	Level 3 inputs
Assets				
Investments carried at fair value through profit and loss	6	-	-	6

Valuation Methodologies

The investment in limited liability partnership (LLP) is classified as fair value through profit and loss. The share of profit/ loss in limited liability partnership (LLP) is accounted for in the books of the Company as and when it is credited/ debited to the Partner's Capital Account and is classified as Level 3.

Fair value of earn-out consideration: The fair value measurement of earn-out consideration is determined using level 3 inputs. The measurement is calculated using unobservable inputs based on the Company's own assessment of achievement of certain performance goals.

Trade receivables, unbilled receivables, finance lease receivables and contract assets have been valued after making reserve for allowances based on the expected credit loss method, considering factors like ageing, likelihood of increased credit risk and expected realizability, nature of customer verticals.

(c) 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 and the Company's net investments in foreign subsidiaries.

The exchange rate risk primarily arises from assets and liabilities denominated in currencies other than the functional currency and foreign currency forecasted revenue and cash flows. A significant portion of the Company revenue and cost is in Euro, GBP and MXN. The fluctuation in exchange rates in respect to the USD may have potential impact on the statement of profit and loss and other comprehensive income and equity.

To mitigate the foreign currency, risk the Company uses derivatives as governed by the Company's strategy, which provides principles on the use of such forward contracts and currency options consistent with the Company's Risk Management Policy.
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. The sensitivity analysis presented above may not be representative of the actual change.

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

	Financial Assets		Financial Liabilities	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
EUR/USD	-	2	1	1
CAD/USD	4	3	2	2
GBP/USD	3	1	1	1
MXN/USD	1	-	1	-

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company's exposure to the risk of changes in market interest rates arises on borrowings with floating interest rate which is not material.

Credit risk

Financial instruments that potentially subject the Company to concentration of credit risk consist principally of cash and bank balances, inter-corporate deposits, trade receivables, unbilled receivables, finance lease receivables, investment securities and derivative instruments. The cash resources of the Company are invested with banks, financial institutions and corporations after an evaluation of the credit risk. By their nature, all such financial instruments involve risks, including the credit risk of nonperformance by counterparties.

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

The allowance for lifetime expected credit loss on customer balances is as below:

	As at		
	31 March 2021 (USD)	31 March 2020 (USD)	31 March 2021 (Refer note 1(a)) (₹)
Balance at the beginning of the year	11	7	854
Additional provision during the year	7	8	524
Deductions on account of write offs and collections	(7)	(4)	(559)
Balance at the end of the year	**11**	**11**	**819**

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 non-derivative long term financial liabilities based on contractual payments is as below:

USD

	Year 1 (Current)	Year 2	Year 3	Year 4-5 & thereafter	Total
As at 31 March 2021					
Lease liabilities	30	21	13	5	69
Employee bonus accrued	94	2	-	-	96
Other financial liabilities	343	17	14	33	407
Total	**467**	**40**	**27**	**38**	**572**
As at 31 March 2020					
Lease liabilities	30	26	21	10	87
Employee bonus accrued	78	15	-	-	93
Deferred Consideration	10	-	-	-	10
Other financial liabilities	307	5	-	-	312
Total	**425**	**46**	**21**	**10**	**502**

(₹) (Refer note 1(a))

	Year 1 (Current)	Year 2	Year 3	Year 4-5 & thereafter	Total
As at 31 March 2021					
Lease liabilities	2,204	1,525	962	366	5,057
Employee bonus accrued	6,887	114	-	-	7,001
Other financial liabilities	25,077	1,243	1,024	2,413	29,757
Total	**34,168**	**2,882**	**1,986**	**2,779**	**41,815**

3.31 Related party transactions

a) Related parties where control exists

Holding companies

- HCL Technologies Limited (Ultimate Holding Company)
- HCL Bermuda Limited (Holding Company)

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

Holding companies

- HCL Technologies Limited
- HCL Bermuda Limited

Direct Subsidiaries

- HCL America Solutions Inc.
- Butler America Aerospace, LLC
- Urban Fulfillment Services LLC
- Powerteam LLC
- Telerx Marketing, Inc.

Fellow subsidiaries

- HCL Belgium NV
- HCL Technologies Sweden AB
- HCL Technologies Sweden IOMC
- HCL Technologies Chile SpA

- HCL Technologies Austria Gmbh
- HCL Singapore Pte. Limited, Singapore
- HCL Technologies (Thailand)Ltd
- Geometric SAS
- HCL (Ireland) Information Systems Limited
- HCL (Brazil) Technologia Da Informacao EIRELI
- Axon Solutions Limited
- HCL Investments (UK) Ltd.
- HCL Software Products Limited (formerly GPSL)
- HCL Software Products Limited-US Branch (formerly GPSL-US Br)
- HCL Latin America Holding
- HCL Canada Inc.-SD (Fy HCL Axon Technologies Inc.)
- HCL Vietnam Company Limited
- HCL Technologies Vietnam Company Limited
- Point to Point Products Limited
- HCL Technologies Limited - Philippine Branch
- Honisgberg & Duvel Datentichnik GMBH
- HCL Technologies (Taiwan) Ltd.
- HCL Technologies Trinidad and Tobago Limited
- HCL BPO Services (NI) Limited
- Axon Solutions (BPO NI Division)
- HCL Italy SLR
- GAPP Japan
- HCL Technologies Egypt Ltd
- HCL Technologies S.A.
- C3i Services &Technologies (Dalian) Co., Ltd
- HCL ASIA PACIFIC PTE LTD-Japan Branch (Fy GAPP Ltd-Japan Br)
- HCL Technologies South Africa (Proprietary) Limited
- HCL Holdings GmbH, Austria
- HCL Technologies Sollutions GmBh (fly Axon Soltns Schz GmbH)
- HCL Technologies Sollutions Gmbh
- HCL Canada Inc.
- Axon Solutions (Shanghai) Co. Limited
- HCL Argentina
- HCL Mexico
- HCL Latin America Holding LLC
- HCL Hungry
- HCL Technologies Limited - Portugal Branch
- HCL Technologies Romania s.r.l.
- HCL Technologies UK Limited
- HCL Technologies Italy S.p.A.
- HCL istanbul Bilisim Teknolojileri Limited sirketi
- HCL Technologies BV
- HCL Technologies Belgium BVBA
- HCL Japan Limited, Japan
- HCL Technologies Finland Oy
- HCL TECHNOLOGIES CZECH REPUBLIC s.r.o.
- HCL Technologies Corporate Services Limited.
- HCL Technologies Colombia SAS
- Geometric Americas Inc.
- HCL Technologies (Shanghai) Limited
- HCL Technologies Middle East FZ- LLC
- HCL Australia Services Pty. Limited, Australia
- HCL (New Zealand) Limited, New Zealand
- HCL Saudi Arabia LLC
- HCL Hong Kong SAR Limited, Hong Kong
- HCL Technologies Malaysia SDN BHD
- HCL Technologies Philippines Inc
- FILIAL ESPANOLA DE HCL TECHNOLOGIES, S.L. (HCL Spain)
- HCL Technologies France
- HCL Poland Sp.z.o.o.

- HCL Technologies Denmark ApS
- HCL Technologies Norway AS
- HCL Netherlands B.V.
- HCL Technologies (PTY) Ltd. (Fy HCL Axon PTY Ltd.)
- HCL Technologies Germany GmbH
- Actian Corporation
- HCL Great Britain Limited
- HCL GmbH
- HCL Sweden AB
- Statestreet HCL Services (India) Private Limited
- HCL Axon Solutions (Shanghai) Co., Ltd
- Axon Solutions (Shanghai)
- HCL Technologies Malaysia SDN BHD
- HCL Guatemala, Sociedad Anonima
- HCL Technologies Greece Single Member P.C.
- HCL Technologies Lithuania UAB
- HCL Technologies Beijing Co., Ltd
- HCL Technologies Luxembourg S.a.r.l
- HCL Asia Pacific Pte Ltd
- PT. HCL Technologies Indonesia
- C3i Europe Eood

c) Key management personnel

- Mr. Shiv Nadar – Chairman and Chief Strategy officer and Managing Director
- C. Vijayakumar–President and Chief Executive Officer
- Mr. Prateek Aggarwal- Chief Financial Officer

(d) Transactions with related parties during the year: **(USD)**

Transactions with related parties during the normal course of business	Ultimate Holding Company		Subsidiaries		Fellow Subsidiaries	
	Year ended					
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Revenue from operations	477	597	30	33	755	579
Dividend Income	-	-	37	25	-	-
Interest Income	-	-	-	-	7	9
Rental Income	-	-	-	-	4	-
Consulting Charges	142	204	68	17	53	62
Corporate Guarantee Fees	-	-	-	-	-	1
Marketing Expense	1	1	-	-	-	-
Interest Expense	-	-	-	-	-	1
Cost of Goods Sold	-	-	-	-	-	5
Insurance	2	1	-	-	-	-
Other Expense	-	-	(3)	-	-	-
Investments	-	-	1	4	-	-

(₹)(Refer note 1(a))

Transactions with related parties during the normal course of business	Ultimate Holding Company	Subsidiaries	Fellow Subsidiaries
	Year ended		
	31 March 2021	31 March 2021	31 March 2021
Revenue from operations	34,851	2,222	55,167
Dividend Income	-	2,705	-
Interest Income	-	3	496
Consulting Charges	10,404	4,963	3,851
Corporate Guarantee Fees	(7)	-	20
Marketing Expense	47	-	-
Interest Expense	-	4	19
Rental Income	-	4	271
Insurance	157	-	-
Other Expense	-	(183)	(7)
Investment	-	37	-

Material related party transactions	Year ended		
	31 March 2021 (USD)	31 March 2020 (USD)	31 March 2021 (Refer note 1(a))(₹)
Revenue from operations			
HCL Technologies Corporate Services Limited	659	456	48,150
HCL Technologies Limited	477	597	34,851
Consulting charges			
HCL Technologies Corporate Services Limited	2	(27)	124
HCL Technologies Limited	142	204	10,404
Marketing Expense			
HCL Technologies Limited	1	1	47
Insurance			
HCL Technologies Limited	2	1	157

Transactions with Key Managerial personnel during the year	Year ended		
	31 March 2021 (USD)	31 March 2020 (USD)	31 March 2021 (Refer note 1(a))(₹)
Compensation	4	17	312

(e) Outstanding Balances with related parties: **(USD)**

Outstanding balances	Ultimate Holding Company		Subsidiaries		Fellow Subsidiaries	
	As at					
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Trade Receivables	133	202	21	27	406	198
Deferred Contract cost	18	8	-	-	-	-
Prepaid Expenses	1	-	-	-	-	-
Unbilled receivables	85	26	-	-	25	-
Receivable Expenses	-	-	-	-	7	3
Short term deposits	-	-	-	5	61	79
Long term deposits	-	-	-	-	99	115
Interest Receivable	-	-	-	-	1	2
Liability for expenses	39	39	1	4	3	-
Interest Payable	-	-	-	-	-	-
Trade Payables	19	98	34	10	35	24
Short term borrowings	-	-	8	2	4	19

(₹)(Refer note 1(a))

Outstanding Balances	Ultimate Holding Company	Subsidiaries	Fellow Subsidiaries
	As at		
	31 March 2021	31 March 2021	31 March 2021
Trade Receivables	9,759	1,554	29,647
Deferred Contract cost	1,317	-	5
Prepaid Expenses	76	-	-
Unbilled receivables	6,226	-	1,795
Receivable Expenses	14	25	501
Short term deposits	7	-	4,464
Long term deposits	-	-	7,203
Interest Receivable	-	14	58
Liability for expenses	2,859	43	236
Interest Payable	-	1	5
Trade Payables	1,363	2,488	2,578
Short term borrowings	-	548	304

Material related party transactions	As at		
	31 March 2021 (USD)	31 March 2020 (USD)	31 March 2021 (Refer note 1(a))(₹)
Trade receivables			
HCL Technologies Corporate Services Limited	238	100	17,415
HCL Technologies Limited	133	202	9,759
Unbilled receivable			
HCL Technologies Corporate Services Limited	24	-	1,725
HCL Technologies Limited	85	26	6,226
Trade payables			
HCL Technologies Corporate Services Limited	18	9	1,315
HCL Technologies Limited	19	98	1,363
Deferred Cost			
HCL Technologies Limited	18	8	1,317
Prepaid Expenses			
HCL Technologies Limited	1	-	26
Liability for expenses			
HCL Technologies Limited	39	39	2,859

3.32 Commitments and Contingent liabilities

	As at		
	31 March 2021 (USD)	31 March 2020 (USD)	31 March 2021 (Refer note 1(a)) (₹)
Capital and other commitments			
Estimated amount of unexecuted capital contracts	6	9	456
	6	**9**	**456**

The Company is involved in various lawsuits, claims and proceedings that arise in the ordinary course of business, the outcome of which is inherently uncertain. Some of these matters include speculative and frivolous claims for substantial or indeterminate amounts of damages. The Company records a liability when it is both probable that a loss has been incurred and the amount can be reasonably estimated. Significant judgement is required to determine both probability and the estimated amount. The Company reviews these provisions at least quarterly and adjusts these provisions accordingly to reflect the impact of negotiations, settlements, rulings, advice of legal counsel, and updated information. The Company believes that the amount or estimable range of reasonably possible loss, will not, either individually or in the aggregate, have a material adverse effect on its business, financial position, results of the Company, or cash flows with respect to loss contingencies for legal and other contingencies as at 31 March 2021.

3.33 Employee benefit plans

Total contributions made to the 401(k) plan by the Company, for the year ended 31 March 2021 is USD 44 (3,192), (previous year: USD 37).

3.34 Powerteam, LLC has transferred its operations to HCL America Inc effective from 1st January 2021 and Integration of Powerteam, LLC operations in HCL America Inc. was undertaken and successfully completed in January 2021. Due to procedural delay, authority in California (state of HCL America Inc) approved the merger on 17th May 2021 with effect from 11th May 2021.

For accounting and operational purposes, Powerteam, LLC stopped its operations as of December 2020 and all employees/customers/vendors contract on that date were transferred to HCL America with effect from 1st January 2021. Accordingly, all transactions pertaining to January to March 2021 were accounted by HCL America Inc and the closing balances as on December 2020 has been transferred to HCL America Inc.

	As at 31 Mar 21
ASSETS	
Property, plant and equipment	1
Right-of-use asset	1
Trade receivables	12
Cash and cash equivalents	9
Other assets	3
TOTAL ASSETS	**26**
LIABILITIES	
Lease liabilities	1
Trade payables	6
Other current liabilities	5
TOTAL LIABILITIES	**12**
NET PAYABLE TO POWERTEAM	**14**

3.35 Change in classification
During the year ended 31 March 2021, the company modified the classification of 'contract assets' from 'other financial assets' to 'other current assets' to reflect more appropriately the nature of such amount. Comparative amounts in the notes to the special purpose financial statements were reclassified for consistency.

3.36 Round off
Due to rounding off of balances, the amount is appearing as zero "-".

3.37 Subsequent events

The Company has evaluated all the subsequent events through 06 August 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.

As per our report of even date

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

Anurag Maheshwary

Anurag Maheswary
Partner
Membership Number: 506533

Gurugram, India
Date: 06 August 2021

For and on behalf of Board of Directors
of HCL America Inc.

CVijayakumar

C. Vijayakumar
Director

Prateek Aggarwal

Prateek Aggarwal
Director

Date: 06 August 2021