

HCL Technologies (Thailand) Limited

Financial statements for the year ended
31 March 2021
and
Independent Auditor's Report



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Independent Auditor's Report

To the Shareholders of HCL Technologies (Thailand) Limited

Opinion

I have audited the financial statements of HCL Technologies (Thailand) Limited (the "Company"), which comprise the statement of financial position as at 31 March 2021, the statements of income and changes in equity for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2021 and its financial performance for the year then ended in accordance with the Thai Financial Reporting Standard for Non-Publicly Accountable Entities (TFRS for NPAEs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management for the Financial Statements

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

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



Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Sasithorn P.

(Sasithorn Pongadisak)
Certified Public Accountant
Registration No. 8802

KPMG Phoomchai Audit Ltd.
Bangkok
1 July 2021

HCL Technologies (Thailand) Limited
Statement of financial position

Assets	<i>Note</i>	31 March	
		2021	2020
		<i>(in Baht)</i>	
<i>Current assets</i>			
Cash and cash equivalents		87,675,550	84,516,956
Trade and other receivables	4	34,282,379	43,246,873
Current portion of finance lease receivables	5	1,418,446	-
Other current assets		<u>2,602,506</u>	<u>2,058,076</u>
Total current assets		<u>125,978,881</u>	<u>129,821,905</u>
<i>Non-current assets</i>			
Finance lease receivables	5	3,397,939	-
Equipment	6	14,474,169	9,213,745
Other non-current assets		<u>2,967,120</u>	<u>4,866,876</u>
Total non-current assets		<u>20,839,228</u>	<u>14,080,621</u>
Total assets		<u><u>146,818,109</u></u>	<u><u>143,902,526</u></u>

The accompanying notes are an integral part of these financial statements.

HCL Technologies (Thailand) Limited

Statement of financial position

Liabilities and equity	Note	31 March	
		2021	2020
		<i>(in Baht)</i>	
Current liabilities			
Trade and other payables	7	95,566,959	90,511,162
Income tax payable		899,403	1,853,863
Other current liabilities		1,685,180	4,198,061
Total current liabilities		98,151,542	96,563,086
Total liabilities		98,151,542	96,563,086
Equity			
Share capital			
Authorised share capital			
<i>(196,300 ordinary shares, par value at Baht 100 per share)</i>			
		<u>19,630,000</u>	<u>19,630,000</u>
Issued and paid-up share capital			
<i>(196,300 ordinary shares, par value at Baht 100 per share)</i>			
		19,630,000	19,630,000
Retained earnings		29,036,567	27,709,440
Total equity		48,666,567	47,339,440
Total liabilities and equity		146,818,109	143,902,526

The accompanying notes are an integral part of these financial statements.

HCL Technologies (Thailand) Limited

Statement of income

	For the year ended	
	31 March	
	2021	2020
	<i>(in Baht)</i>	
Revenue		
Revenue from rendering of services	102,256,226	111,240,247
Other income	42,943	-
Total revenue	102,299,169	111,240,247
Expenses		
Cost of rendering of services	79,843,108	83,939,715
Administrative expenses	17,102,111	11,196,046
Net foreign exchange loss	1,958,226	1,096,074
Total expenses	98,903,445	96,231,835
Profit before income tax expense	3,395,724	15,008,412
Income tax expense	(2,068,597)	(4,169,229)
Profit for the year	1,327,127	10,839,183

The accompanying notes are an integral part of these financial statements.

HCL Technologies (Thailand) Limited

Statement of changes in equity

	Issued and paid-up share capital	Retained earnings <i>(in Baht)</i>	Total equity
<i>Year ended 31 March 2020</i>			
Balance at 1 April 2019	19,630,000	16,870,257	36,500,257
Profit for the year	-	10,839,183	10,839,183
Balance at 31 March 2020	19,630,000	27,709,440	47,339,440
<i>Year ended 31 March 2021</i>			
Balance at 1 April 2020	19,630,000	27,709,440	47,339,440
Profit for the year	-	1,327,127	1,327,127
Balance at 31 March 2021	19,630,000	29,036,567	48,666,567

The accompanying notes are an integral part of these financial statements.

HCL Technologies (Thailand) Limited
Notes to the financial statements
For the year ended 31 March 2021

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HCL Technologies (Thailand) Limited

Notes to the financial statements

For the year ended 31 March 2021

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Directors on 1 July 2021.

1 General information

HCL Technologies (Thailand) Limited, the “Company”, is incorporated in Thailand and has its registered office at 89 AIA Capital Center, 20th Floor, Room No. 2005-2007, Ratchadapisek Road, Dindaeng Subdistrict, Dindaeng District, Bangkok. The principal activities of the Company are engaged in providing information technology and software related consultancy and services.

2 Basis of preparation of the financial statements

The financial statements are prepared in accordance with Thai Financial Reporting Standard for Non-publicly Accountable Entities (TFRS for NPAEs) and guidelines promulgated by the Federation of Accounting Professions (TFAC).

During the year 2020, TFAC has launched the additional optional requirements for TFRS for NPAEs regarding *property, plant and equipment and investment property*, which are effective for the accounting period beginning on or after 1 January 2020. The requirements provide additional options for entities to measure property, plant and equipment and investment property at fair value subsequent to initial recognition at cost. The Company did not elect to apply the additional options, therefore, there was no effect on the financial statements.

The financial statements are prepared and presented in Thai Baht, rounded in the notes to the financial statements to the nearest thousand unless otherwise stated. They are prepared on the historical cost basis except as stated in the accounting policies.

The preparation of financial statements in conformity with TFRS for NPAEs requires management to make judgements, estimates and assumptions that affect the application of the Company’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Foreign currency transactions

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Thai Baht at the exchange rates at that date. Gains or losses arising on translation are recognised in the statement of income.

Non-monetary assets and liabilities arising from foreign currency transactions that are measured at cost are translated to Thai Baht at the exchange rates at the dates of the transactions.

HCL Technologies (Thailand) Limited

Notes to the financial statements

For the year ended 31 March 2021

(b) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and highly liquid short-term investments.

(c) Trade and other receivables

Trade and other receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed and provided for the estimate losses, primarily on analysis of payment histories. Bad debts are written off when incurred. Bad debts recovered are recognised in other income in the statement of income.

(d) Finance lease receivables

Finance lease receivables are measured at the amount of the Company's net investment in the lease, which comprises the present value of the lease payments and any unguaranteed residual value, discounted using the interest rate implicit in the lease. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

(e) Equipment

Owned assets

Equipment are measured at cost less accumulated depreciation and losses on decline in value.

Cost includes expenditure that is directly attributable to the acquisition of the asset includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of equipment.

Any gains and losses on disposal of an item of equipment are determined by comparing the proceeds from disposal with the carrying amount of equipment, and are recognised in the statement of income.

Subsequent costs

The cost of replacing a part of an item of equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of income as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is charged to the statement of income on a straight-line basis over the estimated useful lives of each component of an item of equipment. The estimated useful lives are as follows:

Office equipment	3 - 5	years
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HCL Technologies (Thailand) Limited

Notes to the financial statements

For the year ended 31 March 2021

(f) Losses on decline in value

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of a permanent decline in value. If any such indication exists, the assets' recoverable amounts are estimated. A loss on decline in value is recognised if the carrying amount of an asset exceeds its recoverable amount. The loss on decline in value is recognised in the statement of income.

(g) Trade and other payables

Trade and other payables are stated at cost.

(h) Provisions

A provision is recognised 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 economic benefits will be required to settle the obligation. Provisions are determined by the best estimate method.

(i) Revenue

Revenue excludes value added taxes and is arrived at after deduction of trade discounts.

Rendering of services

The Company recognises revenue from rendering of services as the services are provided and accepted by customers and invoices issued.

(j) Operating leases

Payments made under operating leases are recognised on a straight-line basis over the term of the lease.

(k) Income tax

Income tax is calculated on the taxable income or loss for the year, using tax rates enacted at the reporting date.

4 Trade and other receivables

	2021	2020
	<i>(in thousand Baht)</i>	
Trade and other receivables	34,563	43,866
Less allowance for doubtful accounts	(281)	(619)
Net	<u>34,282</u>	<u>43,247</u>

HCL Technologies (Thailand) Limited
Notes to the financial statements
For the year ended 31 March 2021

5 Finance lease receivables

The Company leases equipment under several lease agreements, which are classified as finance leases and have lease terms of 5 years.

	2021		2020		Present value of	
	Minimum lease payments	Interest	minimum lease payments (in thousand Baht)	Minimum lease payments	Interest	minimum lease payments
<i>Maturity period</i>						
Within 1 year	1,586	(168)	1,418	-	-	-
After 1 year but within 5 years	3,593	(195)	3,398	-	-	-
Total	5,179	(363)	4,816	-	-	-

6 Equipment

	Office equipment (in thousand Baht)
<i>Cost</i>	
At 1 April 2019	7,739
Additions	7,327
At 31 March 2020 and 1 April 2020	15,066
Additions	10,198
At 31 March 2021	25,264
<i>Depreciation</i>	
At 1 April 2019	3,629
Additions	2,223
At 31 March 2020 and 1 April 2020	5,852
Additions	4,938
At 31 March 2021	10,790
<i>Net book value</i>	
At 31 March 2020	9,214
At 31 March 2021	14,474

7 Trade and other payables

	2021	2020
	(in thousand Baht)	
Trade accounts payable	84,745	78,573
Other payables	8,448	8,240
Accrued expenses	2,155	3,311
Advance from customers	219	387
Total	95,567	90,511

HCL Technologies (Thailand) Limited
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For the year ended 31 March 2021

8 Promotional privileges

Under promotion certificate No. 58-2224-1-00-0-0 dated 21 September 2015, the Company has been granted certain rights and privileges under the Investment Promotion Act B.E. 2520 for trade and investment support, and is obliged to comply with certain conditions as stipulated in the promotion certificate.

9 Commitments

Non-cancellable operating lease commitments

	2021	2020
	<i>(in thousand Baht)</i>	
Within 1 year	200	200
After 1 year but within 5 years	200	400
Total	400	600