B S R & Co. LLP
Chartered Accountants

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Independent Auditor's Report

To the Board of Directors of HCL Istanbul Bilisim Teknolojileri Limited Sirketi

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of HCL Istanbul Bilisim Teknolojileri Limited Sirketi (the "Company"), which comprise the Balance Sheet as at 31 December 2023, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the period 1 April 2023 to 31 December 2023, and notes to the financial statements, including material accounting policies and other explanatory information (collectively referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 December 2023, and its profit and other comprehensive income, changes in equity and its cash flows for the period ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ('SAs') issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by ICAI together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

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

The Company's Management and Board of Directors are responsible for the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 ('the Act'). This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing opinion on whether the company has in place adequate internal financial controls with reference to financial statements and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP
(a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14. 2013

Registered Office:

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter-Restriction on Use

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

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

Prince Sharma
Digitally signed by Prince Sharma
Date: 2024.07.03 17:14:58 +05'30'

Prince Sharma
Partner
Membership No. 521307
ICAI UDIN: 24521307BKFLKV3209

Place: Gurugram, India
Date: 3 July 2024

HCL Istanbul Bilisim Teknolojileri Limited Sirketi

FINANCIAL STATEMENTS

For the Period/Year ended 31 December 2023 and 31 March 2023

HCL Istanbul Bilisim Teknolojileri Limited Sirketi
Balance Sheet as at 31 December 2023
(All amounts in thousands of TRY except share data and as stated otherwise)

	Note No.	As at 31 December 2023 (Refer note 1(a)) (TRY)	As at 31 March 2023 (Refer note 1(a)) (TRY)
I. ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	2.1	295	285
(b) Right-of-use assets	2.27	451	41
(c) Goodwill	2.2	3,613	3,613
(d) Other intangible assets	2.3	751	825
(e) Financial assets			
(i) Trade receivables			
Unbilled	2.7	2,115	1,812
(ii) Others	2.4	3,959	2,198
(f) Deferred tax assets (net)	2.22	145	2,527
(g) Other non-current assets	2.5	28	24
Total non-current assets		**11,357**	**11,325**
(2) Current assets			
(a) Inventories	2.6	4,226	3,684
(b) Financial assets			
(i) Trade receivables	2.7		
Billed		42,376	53,736
Unbilled		7,452	3,650
(ii) Cash and cash equivalents	2.8	119,288	62,977
(iii) Others	2.4	3,309	7,361
(c) Current tax assets (net)		538	2,153
(d) Other current assets	2.9	50,654	37,766
Total current assets		**227,843**	**171,327**
TOTAL ASSETS		**239,200**	**182,652**
II. EQUITY			
(a) Equity share capital	2.10	963	963
(b) Other equity		38,993	25,184
TOTAL EQUITY		**39,956**	**26,147**
III LIABILITIES			
(1) Non - current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	2.27	272	241
(b) Contract liabilities	2.11	6,622	3,162
		6,894	**3,403**
(2) Current liabilities			
(a) Financial liabilities			
(i) Trade payables	2.12		
Billed		121,037	89,237
Unbilled		34,577	18,352
(ii) Lease liabilities	2.27	129	246
(iii) Others	2.13	928	946
(b) Contract liabilities	2.11	24,658	26,073
(c) Other current liabilities	2.14	10,711	17,530
(d) Provisions	2.15	310	718
Total current liabilities		**192,350**	**153,102**
TOTAL LIABILITIES		**199,244**	**156,505**
TOTAL EQUITY AND LIABILITIES		**239,200**	**182,652**
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

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

Prince Sharma
Prince Sharma (Jul 3, 2024 16:40 GMT+5.5)

Prince Sharma
Partner
Membership Number: 521307

Gurugram, India
Date: 03 July 2024

For and on behalf of the Board of Director of
HCL Istanbul Bilisim Teknolojileri Limited Sirketi

Goutam Rungta
Goutam Rungta (Jul 3, 2024 13:47 GMT+5.5)

Goutam Rungta
Director

Noida, India
Date: 03 July 2024

HCL Istanbul Bilisim Teknolojileri Limited Sirketi
Profit and Loss for the period/year ended 31 December 2023
(All amounts in thousands of TRY except share data and as stated otherwise)

		Note No.	For the 9 Months period ended 31 December 2023 (Refer note 1(a)) (TRY)	For the Year ended 31 March 2023 (Refer note 1(a)) (TRY)
I	**Revenue**			
	Revenue from operations	**2.16**	112,719	121,874
	Other income	**2.17**	28,334	8,063
	Total income		**141,053**	**129,937**
II	**Expenses**			
	Purchase of stock in trade		13,839	19,252
	Changes in inventories of stock in trade	**2.18**	(542)	(3,306)
	Employee benefits expense	**2.19**	13,873	19,164
	Outsourcing costs		77,564	75,744
	Finance costs	**2.20**	80	442
	Depreciation and amortization expense	**2.1**	204	230
	Net Monetary Loss		5,700	969
	Other expenses	**2.21**	5,823	4,740
	Total expenses		**116,541**	**117,235**
III	**Profit before tax**		**24,512**	**12,702**
IV	**Tax expense**	**2.22**		
	Current tax		5,237	8,257
	Deferred tax charge/(credit)		1,499	(1,043)
	Total tax expense		**6,736**	**7,214**
V	**Profit for the period/year**		**17,776**	**5,488**
VI	**Total Comprehensive Income for the period/year**		**17,776**	**5,488**
	Earnings per equity share of TRY 100 each			
	Basic	**2.26**	3.71	1.14
	Diluted		3.71	1.14
	Summary of material accounting policies	**1**		

The accompanying notes are an integral part of the financial statements

1

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Goutam Rungta
Director

Noida, India
Date: 03 July 2024

HCL Istanbul Bilisim Teknolojileri Limited Sirketi
Statement of Changes in Equity for the period/year ended 31 December 2023
(All amounts in thousands of TRY except share data and as stated otherwise)

(Amount in TRY)
(Refer note 1(a))

	Equity share capital		Other Equity	Total Equity
	Shares	Share capital		
Adjusted Balance as at 1 April 2022	1,000	963	19,696	20,659
Profit for the year	-	-	5,488	5,488
Total comprehensive income for the year	-	-	**5,488**	**5,488**
Balance as at 31 March 2023	1,000	**963**	**25,184**	**26,147**
Adjusted Balance as at 1 April 2023	1,000	963	25,184	26,147
Profit for the period/year	-	-	17,776	17,776
Total comprehensive income for the period/year	-	-	**17,776**	**17,776**
Inflation effect due to Previous year restatement			**(3,967)**	**(3,967)**
Balance as at 31 December 2023	-	**963**	**38,993**	**39,956**

Summary of material accounting policies **1**

The accompanying notes are an integral part of the financial statements

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Director

Noida, India
Date: 03 July 2024

HCL Istanbul Bilisim Teknolojileri Limited Sirketi
Statement of Cash flow for the period/year ended 31 December 2023
(All amounts in thousands of TRY except share data and as stated otherwise)

		Period ended 31 December 2023 (Refer note 1(a)) (TRY)	Year ended 31 March 2023 (Refer note 1(a)) (TRY)
A. Cash flows from operating activities			
Profit before tax		24,512	12,702
Adjustment for:			
Depreciation and amortization expense		204	230
Provision for doubtful debts / bad debts (written back) written off, net		2,046	990
Interest expenses		19	392
Interest income		(212)	(112)
Inflation impact of Previous Year restatement		(3,084)	3,653
		23,485	**17,855**
Net change in			
Trade receivables		5,208	(34,736)
Inventories		(543)	(3,306)
Other financial assets and other assets		(11,092)	(26,662)
Trade payables		48,024	76,993
Other financial liabilities, contract liabilities, provisions and other liabilities		(5,201)	33,925
Cash generated from operations		**59,881**	**64,069**
Income taxes paid (net of refunds)		(3,623)	(9,109)
Net cash flow from operating activities	**(A)**	**56,258**	**54,960**
B. Cash flows from investing activities			
Purchase of property, plant and equipment and intangibles		(54)	-
Interest received		212	112
Net cash flow from investing activities	**(B)**	**158**	**112**
C. Cash flows from financing activities			
Finance Lease		(86)	19
Interest paid		(19)	(392)
Net cash flow (used)/from in financing activities	**(C)**	**(105)**	**(373)**
Net increase in cash and cash equivalents (A+B+C)		56,311	54,699
Cash and cash equivalents at the beginning of the year		62,977	8,278
Cash and cash equivalents at the end of the year as per note 2.8		**119,288**	**62,977**

Summary of material accounting policies **1**

The accompanying notes are an integral part of the financial statements

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Goutam Rungta
Director

Noida, India
Date: 03 July 2024

Company Overview

HCL Istanbul Bilisim Teknolojileri Limited Sirketi (hereinafter referred to as 'Company') is a Business Transformation consultancy company aiming to provide medium and large size organizations with Business Transformation solutions that encompass all elements of Business Consulting, Solution Implementation, and ongoing Application Management. The Company was incorporated on 30 September 2014 in Istanbul having registered office at Maslak Meydan District No:3 Veko Giz Plaza 14th Floor No:45 Room 1413 Maslak Sarıyer Istanbul.

The financial statements for the period ended 31 December 2023 were approved and authorized for issue by the Board of Directors on 03 July 2024.

1. **Summary of Material Accounting Policies**

a) **Basis of preparation**

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

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

Due to preponement of Annual General Meeting compliances as per companies act 2013 for the ultimate holding company, which is listed on Bombay Stock exchange and National Stock exchange, India, as per regulation 44 (5) of the SEBI (listing obligations and discourse requirements) Regulations 2015 in India, Management intent to change the financial year of the Company from March to December, so as to meet the compliances requirements. The Company has adopted this change from the current financial year and accordingly, the current financial year is for nine-month period from 1 April 2023 to 31 December 2023. Effective 1st April 2023, the Company had changed its financial year as year ending 31st December. Accordingly, the current financial year of the Company is for nine months period from 1 April 2023 to 31 December 2023 (herein after referred as "9-month ended 31 December 2023"). Accordingly, the comparatives amount for the statement of profit or loss and other comprehensive income, statement of changes in equity, cash flow statement and related notes are not comparable in so far as they relate to a longer period than the current period.

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

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

The Statement of cash flows has been prepared under indirect method.

The figures for the current period and previous year have been restated for the changes in the general purchasing power of the functional currency in agreement with Ind AS 29 "Financial Reporting in

Hyperinflationary Economies”. As per Ind AS 29, inflation rates can be considered in respect of any stable currency, hence these financials are prepared considering the inflation effect with USD.

As per Ind AS 29 only non-monetary items of the current period are restated from the date of origin in accordance with the conversion factors calculated in the current period, however both monetary and non-monetary items of the previous year are restated in accordance with the accumulated inflation of the current period to make both years comparable. Items of statement of profit and loss for the current period are also restated in accordance with the mid-month rates calculated and previous year figures are restated in accordance with the accumulated inflation of the current period to make both years comparable. In the same way statement for cash flows is also prepared considering the restated figures of both the years.

The Company uses the TRY as its reporting currency. The Company has presented its financial statements in "TRY in thousands" and accordingly, amounts less than TRY 0.50 thousands are rounded off to "0".

b) Use of estimates

The preparation of financial statements in conformity with Ind AS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, costs, expenses and other comprehensive income (OCI) that are reported and disclosed in the financial statements and accompanying notes. These estimates are based upon 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 period 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(i).
ii) Allowance for uncollectible accounts receivables, refer note 1(o)(i)
iii) Recognition of income and deferred taxes, refer note 1(k) and note 2.22
iv) Useful lives of property, plant and equipment, refer note 1(e)
v) Lives of intangible assets, refer note 1(f)
vi) Key assumptions used for impairment of goodwill, refer note 1(g) and note 2.2
vii) Identification of leases and measurement of lease liabilities, refer note 1(c) and note 2.27.
viii) Provisions and contingent liabilities, refer note 1(l) and note 1(m).

c) Leases

Company as a lessee

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

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 net investment in the leased assets. 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 allocate the consideration in the contract between the lease components and the non-lease components on a relative standalone selling price basis.

d) Inventories

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

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

e) Property, plant and equipment

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

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

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

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

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

	Life (in years)
Computer	4-5
Office equipment's	5

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

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

f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Intangible assets are amortized over the useful 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 year. 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 and loss when the asset is derecognized.

The intangible assets are amortized over the estimated useful life of the assets as mentioned below except for customer relationships which are amortized in proportion to expected economic benefits over the useful life.

	Life (in years)
Software	3
Customer relationships	10

g) Impairment of non-financial assets

Goodwill

Goodwill is tested annually on March 31, for impairment, or sooner 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 Group's cash generating units (CGU) 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 the 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 asset exceeds the estimated recoverable amount of the asset.

h) Fair value measurement

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

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

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

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

c) Cost approach – Replacement cost method.

Certain assets are measured at fair value on a non-recurring basis. These assets consist primarily of non-financial 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.

i) Revenue Recognition

Contracts involving provision of services and material

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

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

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

Fixed Price contracts

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

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 obligation

When a sales arrangement contains multiple performance, such as services, hardware and Licensed IPs (software) or combinations of each of them revenue for each element is based on a 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 group is then allocated to each software obligation and lease deliverable.

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

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

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

The company recognizes an onerous contract provision when the expected unavoidable costs of meeting the future obligations exceed the expected economic benefits to be received under a contract. Such provision, if any, is recorded in the period in which such losses become probable and is included in cost of revenues

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

j) Foreign currency transactions

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

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

k) 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 and 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 company 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

l) Provisions

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

m) Contingent liabilities

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

n) Retirement and other employee benefits

Contributions to defined contribution plans are recognized as expense when employees have rendered services entitling them to such benefits.

o) Financial Instruments

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

i) **Financial assets**

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

Cash and cash equivalent

Cash and cash equivalents in the balance sheet comprise cash in banks and short-term deposits and investments with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purposes of the cash flow statement, cash and cash equivalents are considered net of outstanding bank overdrafts that are repayable on demand and are considered part of the Company's cash management system. In the balance sheet, bank overdrafts are presented under borrowings within current liabilities.

Financial instruments at amortized cost

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

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

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

ii) **Financial liabilities**

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

The subsequent measurement of financial liabilities depends on their classification, as described below:

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 are initially recognized at net of transaction costs and includes trade payables, borrowings including bank overdrafts and other payables.

After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method except for deferred consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. Gains and losses are recognized in the statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Derecognition

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the 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.

p) Earnings per share

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

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

q) Adoption of new accounting principles

Deferred tax related to assets and liabilities arising from a single transaction (amendments to Ind AS 12 - Income Taxes)
The amendments clarify that lease transactions give rise to equal and offsetting temporary differences and financial statements should reflect the future tax impacts of these transactions through recognizing deferred tax. The Company has adopted this amendment effective 1 April 2023. The Company previously accounted for deferred tax on leases on a net basis. Following the amendments, the Company has recognized a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. The adoption did not have any impact on the current and comparative periods presented in the financial statements.

r) Recently issued accounting pronouncements

As on 31 December 2023, there are no new standards or amendments to the existing standards applicable which has been notified by Ministry of Corporate Affairs.

HCL Istanbul Bilisim Teknolojileri Limited Sirketi
Notes to financial statements for the period/year ended 31 December 2023
(All amounts in thousands of TRY except share data and as stated otherwise)

2.1 Property, plant and equipment

The changes in the carrying value for the period ended 31 December 2023

	Computers	Total
	(TRY)	(TRY)
Gross block as at 1 April 2023	407	407
Additions	54	54
Gross block as at 31 December 2023	**461**	**461**
Accumulated depreciation as at 1 April 2023	122	122
Depreciation	44	44
Accumulated depreciation as at 31 December 2023	**166**	**166**
Net block as at 31 December 2023	**295**	**295**

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

	Computers	Total
	(TRY)	(TRY)
Gross block as at 1 April 2022	264	264
Additions	-	-
Effect of Net Monetary Gain	143	143
Gross block as at 31 March 2023	**407**	**407**
Accumulated depreciation as at 1 April 2022	28	28
Depreciation	80	80
Effect of Net Monetary Loss	14	14
Accumulated depreciation as at 31 March 2023	**122**	**122**
Net block as at 31 March 2023	**285**	**285**

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

2.2 Goodwill
The changes in the carrying value for the period ended 31 December 2023

	Goodwill on acquisition of business	Total
	(TRY)	(TRY)
Gross block as at 1 April 2022	2,350	2,350
Effect of Net Monetary Gain	1,263	1,263
Gross Block as at 31 March 2023	**3,613**	**3,613**
Gross block as at 1 April 2023	3,613	3,613
Additions	-	-
Gross Block as at 31 December 2023	**3,613**	**3,613**

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the CGU, which benefit from the synergies of the acquisition.

Goodwill is tested for impairment at least annually. Impairment is recognised, if present value of future cash flows is less than the carrying value of goodwill. Future cash flows are forecasted for 5 years and then on perpetuity on the basis of certain assumptions which include revenue growth, earnings before interest and taxes, taxes, capital outflow and working capital requirement. 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 December 2023	As at 31 March 2023
Revenue growth rate (average of next 5 years) (%)	3 to 10	3 to 10
Terminal revenue growth rate (%)	1	1
Pre tax discount rate (%)	29.7	17.68

As at 31 December 2023 and 31 March 2023 the estimated recoverable amount of the CGU 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 CGU would decrease below its carrying amount.

2.3 Other Intangible Assets

The changes in the carrying value for the period ended 31 December 2023

	Software	Customer Relationship	Total
	(TRY)	(TRY)	(TRY)
Gross block as at 1 April 2023	49	1,628	1,677
Gross block as at 31 Decmeber 2023	**49**	**1,628**	**1,677**
Accumulated amortization as at 1 April 2023	49	803	852
Amortization	-	74	74
Accumulated amortization as at 31 December 2023	**49**	**877**	926
Net block as at 31 December 2023	**-**	**751**	**751**

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

	Software	Customer Relationship	Total
	(TRY)	(TRY)	(TRY)
Gross block as at 1 April 2022	32	1,059	1,091
Effect of Net Monetary Gain	17	569	586
Gross block as at 31 March 2023	**49**	**1,628**	**1,677**
Accumulated amortization as at 1 April 2022	32	426	458
Amortization	-	150	150
Effect of Net Monetary Loss	17	227	244
Accumulated amortization as at 31 March 2023	**49**	**803**	852
Net block as at 31 March 2023	**-**	**825**	**825**

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

2.4 Financial Assets - Others

	As at	
	31 December	31 March 2023
	(TRY)	(TRY)
Non- Current		
Carried at amortized cost		
Security deposits-lease	58	55
Finance lease receivables (Refer Note 2.27)	3,901	2,143
	3,959	**2,198**
Current		
Carried at amortized cost		
Security deposits-lease	7	10
Advance - related parties (Refer note 2.24)	841	1,048
Finance lease receivables (Refer Note 2.27)	2,461	6,303
	3,309	**7,361**

2.5 Other non- current assets

	As at	
	31 December	31 March 2023
	(TRY)	(TRY)
Unsecured considered good unless otherwise stated		
Prepaid expenses	28	24
	28	**24**

2.6 Inventories

	As at	
	31 December	31 March 2023
	(TRY)	(TRY)
Stock in trade	4,226	3,684
	4,226	**3,684**

2.7 Trade Receivable

	As at	
	31 December 2023	31 March 2023
	(TRY)	(TRY)
Non Current		
Unbilled receivables	2,115	1,812
	2,115	**1,812**

	As at	
	31 December	31 March 2023
	(TRY)	(TRY)
Current		
Billed		
Unsecured, considered good (refer note below)	44,220	53,736
Trade receivables - credit impaired	203	135
	44,423	**53,871**
Impairment allowance for bad and doubtful debts	(2,047)	(135)
	42,376	**53,736**
Unbilled		
Unbilled receivables	6,359	3,365
Unbilled receivables-related parties (Refer Note 2.24)	1,093	285
	49,828	**57,386**

Note:- Includes receivables from related parties amounting to TRY 19,430 (31 March 2023, TRY 18,380) (Refer Note 2.24)

Trade receivables	**Not due**	**Outstanding as at 31 December 2023 from the due date of payment**					**Total**
		Less than 6 Months	**6 Months to 1 Year**	**1-2 years**	**2-3 years**	**More than 3 years**	
Undisputed – considered good	38,764	2,263	1	1,855	799	538	44,220
Undisputed – credit impaired	-	-	-	97	62	44	203
	38,764	2,263	1	1,952	861	582	44,423
Impairment allowance for bad and doubtful debts							(2,047)
Unbilled receivables							7,452
							49,828

Trade receivables	**Not due**	**Outstanding as at 31 March 2023 from the due date of payment**					**Total**
		Less than 6 Months	**6 Months to 1 Year**	**1-2 years**	**2-3 years**	**More than 3 years**	
Undisputed – considered good	10,855	38,347	266	3,054	221	993	53,736
Undisputed – credit impaired	-	-	135	-	-	-	135
	10,855	38,347	401	3,054	221	993	53,871
Impairment allowance for bad and doubtful debts							(135)
Unbilled receivables							3,650
							57,386

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

2.8 Cash and cash equivalent

	As at	
	31 December 2023	**31 March 2023**
	(TRY)	**(TRY)**
Balance with banks		
-in current accounts	119,288	62,977
	119,288	**62,977**

2.9 Other current assets

	As at	
	31 December 2023	**31 March 2023**
	(TRY)	**(TRY)**
Unsecured , considered good		
Advances other than capital advances		
Advances to employees	12	11
Others		
Prepaid expenses	2,934	3,441
Deferred contract cost - related parties (Refer Note 2.24)	47,708	32,117
Other Advances	-	2,197
	50,654	**37,766**

2.10 Equity Share Capital

	As at	
	31 December 2023	**31 March 2023**
	(TRY)	**(TRY)**
Authorized		
4,796 equity shares of TRY 100 each (Previous year 4,796 equity shares of TRY 100 each)	963	963
Issued, subscribed and fully paid up		
4,796 equity shares of TRY 100 each (Previous year 4,796 equity shares of TRY 100 each)	963	963

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

Terms/ rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of TRY 100/-. Each holder of equity shares is entitled to one vote per share.

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

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year

	As at			
	31 December 2023		31 March 2023	
	(TRY)		(TRY)	
	No. of shares	Amount (TRY)	No. of shares	Amount (TRY)
Number of shares at the beginning	4,796	962,574	4,796	962,574
Number of shares at the end	4,796	962,574	4,796	962,574

Shares held by holding Company:-

Out of equity shares issued by the Company, shares held by its holding Company are as below:-

	As at			
	31 December 2023		31 March 2023	
	(TRY)		(TRY)	
	No. of shares	Amount (TRY)	No. of shares	Amount (TRY)
Equity shares of TRY 100 each				
HCL Tehnologies UK limited, the holding company	4,796	962,574	4,796	962,574

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

Name of the shareholder	As at			
	31 December 2023		31 March 2023	
	(TRY)		(TRY)	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of TRY 100 each fully paid				
HCL Tehnologies UK limited, the holding company	4,796	100.00%	4,796	100.00%

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

Capital management

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

2.11 Contract liabilities

	As at	
	31 December 2023	31 March 2023
	(TRY)	(TRY)
Non - Current		
Contract liabilities (refer note 2.16)	6,622	3,162
	6,622	**3,162**
Current		
Contract liabilities (refer note 2.16)	24,658	26,073
	24,658	**26,073**

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

2.12 Trade payables

	As at	
	31 December 2023	31 March 2023
	(TRY)	(TRY)
Trade payables	8,726	3,232
Trade payables-related parties (refer note 2.24)	112,311	86,005
	121,037	**89,237**
Unbilled and accruals	9,048	4,441
Unbilled and accruals-related parties (refer note 2.24)	25,529	13,911
	34,577	**18,352**
	155,614	**107,589**

Particulars	Not Due	Outstanding as at 31 December 2023				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)Trade Payables	4,879	3,823	-	20	4	8,726
(i)Trade Payables-related parties	9,263	61,804	36,863	2,146	2,235	112,311
						121,037
(ii)Unbilled and Accruals						34,577
	14,142	65,627	36,863	2,166	2,239	**155,614**

Particulars	Not Due	Outstanding as at 31 March 2023				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)Trade Payables	3,232	-	-	-	-	3,232
(i)Trade Payables-related parties	5,904	61,424	18,677	-	-	86,005
						89,237
(ii)Unbilled and Accruals						18,352
	9,136	61,424	18,677	-	-	**107,589**

2.13 Financial liabilities - Others

	As at	
	31 December 2023	31 March 2023
	(TRY)	(TRY)
Current		
Carried at amortised cost		
Accrued salaries and benefits		
Employee bonuses accrued	157	730
Other employee cost	318	214
Others		
Other payables	453	2
	928	**946**

2.14 Other current liabilities

	As at	
	31 December 2023	31 March 2023
	(TRY)	(TRY)
Other advances		
Advance received-related parties	74	126
Advance received from customer	2,729	8,805
Others		
Other taxes payable	7,908	8,599
	10,711	**17,530**

2.15 Provisions

	As at	
	31 December 2023	31 March 2023
	(TRY)	(TRY)
Current		
Provision for employee benefits	310	718
	310	**718**

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

2.16 Revenue from operations

	Period ended	Year ended
	31 December 2023	**31 March 2023**
	(TRY)	**(TRY)**
Sale of services	98,762	109,545
Sale of hardware and software	13,957	12,329
	112,719	**121,874**

Disaggregate Revenue Information

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

	Period ended	Year ended
	31 December 2023	**31 March 2023**
	(TRY)	**(TRY)**
Geography wise		
America	1,626	-
Europe	99,087	115,819
India	1,710	1,156
Rest of the World	10,296	4,899
Total	**112,719**	**121,874**

Remaining performance obligations

Remaining performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc). As at 31 December 2023, the aggregate amount of transaction price allocated to remaining performance obligation as per the requirements of Ind AS 115 was TRY 226 Thousands (31st March 2023, TRY 118 Thousands).

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 contrac assets or unbilled receivable in our balance sheet. Contract assets primarily relate to unbilled amounts on fixed price contracts using the cost to cost method of revenue recognition. Unbilled receivables represents contracts where right to consideration is unconditional (i.e. only the passage of time is required before the payment is due).

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

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

	Period ended	Year ended
	31 December 2023	**31 March 2023**
	(TRY)	**(TRY)**
Balance as at beginning of the year	29,235	9,821
Additional amounts billed but not recognized as revenue	21,037	41,573
Deduction on account of revenues recognized during the year	(18,992)	(18,018)
Effect of Net monetary Gain	-	(4,141)
Balance as at end of the year	**31,280**	**29,235**

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:

	Period ended	Year ended
	31 December 2023	**31 March 2023**
	(TRY)	**(TRY)**
Balance as at beginning of the year	32,117	12,243
Additional cost capitalised during the year	25,707	46,211
Deduction on account of cost amortised during the year	(10,116)	(24,606)
Effect of Net monetary Loss	-	(1,731)
Balance as at end of the year	**47,708**	**32,117**

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

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

2.17 Other income

	Period ended 31 December 2023 (TRY)	Year ended 31 March 2023 (TRY)
Interest income	212	112
Exchange differences (net)	28,122	7,951
	28,334	**8,063**

2.18 Changes in inventories of traded goods

	Period ended 31 December 2023 (TRY)	Year ended 31 March 2023 (TRY)
Opening stock	3,684	378
Less: Closing stock	(4,226)	(3,684)
	(542)	**(3,306)**

2.19 Employee benefits expense

	Period ended 31 December 2023 (TRY)	Year ended 31 March 2023 (TRY)
Salaries, wages and bonus	9,645	13,760
Contribution to employee benefits	4,224	5,404
Staff welfare expense	4	-
	13,873	**19,164**

2.20 Finance cost

	Period ended 31 December 2023 (TRY)	Year ended 31 March 2023 (TRY)
Interest	19	392
Bank charges	61	50
	80	**442**

2.21 Other expenses

	Period ended 31 December 2023 (TRY)	Year ended 31 March 2023 (TRY)
Rent	272	381
Travel and conveyance	480	1,051
Legal and professional charges	1,550	1,558
Provision for doubtful debts/ bad debts written off	2,046	990
Insurance	160	420
Miscellaneous expenses	1,315	340
	5,823	**4,740**

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

2.22 Income taxes

	Period ended 31 December 2023 (TRY)	Year ended 31 March 2023 (TRY)
Income tax charged to statement of profit and loss		
Current income tax charge	5,237	8,257
Deferred tax charge (Credit)	1,499	(1,043)
	6,736	**7,214**

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

	Period ended 31 December 2023 (TRY)	Year ended 31 March 2023 (TRY)
Profit before income tax	24,512	12,702
Statutory tax rate	25%	23%
Expected tax expense	6,128	2,921
Tax effect of adjustments to reconcile expected tax expense to reported tax expense		
Permanent Differences	44	1,633
WHT write off	259	2,350
Creation /(Reversal) of prior year provision	366	210
Others (Change in Tax Rate)	(61)	100
Total taxes	**6,736**	**7,214**
Effective income tax rate	27%	57%

Components of deferred tax assets and liabilities as on 31 December 2023 **Amount in (TRY)**

	Opening balance	Inflation Impact due to previous year restatement	Recognized in profit and loss	Closing balance
Deferred tax assets				
Expense accruals	2,697	(943)	(1,754)	-
Provision for doubtful debt	103	(36)	517	584
Others	(273)	96	(262)	(439)
Net deferred tax assets	**2,527**	**(883)**	**(1,499)**	**145**

Components of deferred tax assets and liabilities as on 31 March 2023 **Amount in (TRY)**

	Opening balance	Inflation Impact due to previous year restatement	Recognized in profit and loss	Closing balance
Deferred tax assets				
Provisions	2,130	-	(2,130)	-
Fixed Assets	(438)	-	438	-
Expense Accruals	-	-	2,697	2,697
Provision for doubtful debts	-	-	103	103
Others	(208)	-	(65)	(273)
Net deferred tax assets	**1,484**		**1,043**	**2,527**

2.23 Segment Reporting

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

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

Revenue disagreegation as per geography is given in note 2.16

2.24 Related party transaction

a) Related parties where control exists

Holding company
HCL Technologies UK Limited

Ultimate Holding company
HCL Technologies Limited

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

Ultimate holding company
HCL Technologies Limited

Holding company
HCL Technologies UK Limited

Fellow Subsidiary
HCL Argentina s.a.
HCL Technologies Mexico
HCL Great Britain Limited
HCL Technologies Trinidad and Tobago Limited
HCL Technologies Germany GmbH
HCL Technologies Sweden AB
HCL America Inc.
HCL Canada Inc. (Fy HCL Axon Technologies Inc.)
HCL Hong Kong SAR Limited, Hong Kong
HCL Technologies Czech Republic
HCL Technologies Norway AS
HCL Saudi Arabia LLC
HCL Technologies (PTY) Limited. (Fy HCL Axon PTY Limited.)
HCL (Brazil) Technologia Da Informacao EIRELI
HCL Technologies Austria GmbH
HCL Singapore Pte. Limited, Singapore
HCL Technologies (Shanghai) Limited
HCL Technologies Beijing Co. Lt
HCL Asia Pacific Pte. Ltd.
HCL Technologies BV
HCL (Ireland) Information Systems Limited
HCL Technologies Sollutions GmBh (fly Axon Soltns Schz GmbH)
HCL Technologies Finland Oy
HCL Technologies Sweden (IOMC)
HCL Technologies Greece Single Member P.C.
HCL Technologies Corporate Services Limited
HCL Technologies Malaysia SDN BHD (Fy HCLAxonMalaysiaSDNBHD)
HCL Poland Sp.z.o.o.
HCL Technologies Chile SpA
HCL Japan Limited, Japan
HCL Technologies Belgium BVBA
HCL Australia Services Pty. Limited, Australia
HCL Technologies Philippines Inc
HCL Technologies Vietnam Company Limited
PT. HCL Technologies Indonesia
HCL Latin America Holding LLC
HCL Guatemala, Sociedad Anonima
HCL (New Zealand) Limited, New Zealand
HCL Technologies South Africa (Proprietary) Limited
C3i Europe Eood
HCL Technologies Lanka (Private) Limited
HCL TECHNOLOGIES ANGOLA (SU), LDA.
HCL Technologies (Taiwan) Limited.
Telerx Marketing, Inc.
HCL Technologies Egypt Limited
HCL Technologies Luxembourg S.a.r.l
HCL Technologies (Thailand) Limited.
HCL Technologies Italy S.p.A.
HCL Technologies Costa Rica S.
HCL Technologies Middle East FZ- LLC
HCL Axon Solutions (Shanghai) Co., Limited
HCL Technologies Colombia SAS
Filial Espanola De HCL Technoloiges, S.L.(HCL Spain)

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

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

	Ultimate Holding company		Holding company		Fellow subsidiaries	
	For the period ended	For the year ended	For the period ended	For the year ended	For the period ended	For the year ended
	31 December 2023	31 March 2023	31 December 2023	31 March 2023	31 December 2023	31 March 2023
Outsourcing costs	39,886	51,127	109	-	18,891	11,044
Revenue	5,215	3,232	1,549	10,269	18,647	13,667

d) Outstanding balances with related parties **(TRY)**

	Ultimate Holding company		Holding company		Fellow subsidiaries	
	For the year ended		For the year ended		For the year ended	
	31 December 2023	31 March 2023	31 December 2023	31 March 2023	31 December 2023	31 March 2023
Unbilled and accruals	25,427	13,763	-	-	102	148
Trade payables	69,193	59,634	1,213	1,299	41,905	25,072
Deferred Contract Cost	47,708	32,117	-	-	-	-
Trade Receivables	2,609	1,959	629	8,772	16,192	7,649
Advances received	-	-	-	-	74	126
Advances given	841	1,048	-	-	-	-
Unbilled Receivables	943	285	-	-	149	-

2.25 Capital and other commitments

	As at	
	31 December 2023	31 March 2023
	(TRY)	(TRY)
Capital and other commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	422	17
	422	**17**

2.26 Earnings per equity share (EPS)

Particulars	Period ended	Year ended
	31 December 2023	31 March 2023
	(TRY)	(TRY)
Net Profit as per statement of profit and loss for computation of EPS	17,776	5,488
Weighted average number of equity shares outstanding in calculating- Basic	4,796	4,796
Weighted average number of equity shares outstanding in calculating- Dilutive	4,796	4,796
Nominal value of equity shares	100	100
Profit per equity share		
Basic	3.71	1.14
Diluted	3.71	1.14

2.27 Lease liabilities

(a) Company as a lessee

The Company's significant leasing arrangements are in respect of leases for office spaces , leasehold land and IT equipments.
The details of the right-of-use assets held by the Company is as follows:

Particulars	Buildings	Total
	(TRY)	(TRY)
Balance as at 1 April 2022	26	26
Additions	-	-
Effect of Net Monetary Gain	67	67
Gross block as at 31 March 2023	**93**	**93**
Balance as at 1 April 2023	**93**	**93**
Additions	491	491
Gross block as at 31 December 2023	**584**	**584**
Balance as at 1 April 2022	**16**	**16**
Depreciation	0	0
Effect of Net Monetary Loss	36	36
Accumulated depreciation as at 31 March 2023	**52**	**52**
Accumulated depreciation as at 1 April 2023	**52**	**52**
Depreciation	81	81
Accumulated depreciation as at 31 December 2023	**133**	**133**
Net block as at 31 March 2023	**41**	**41**
Net block as at 31 December 2023	**451**	**451**

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

2.27 Lease liabilities (continued)

The recognition of lease liabilities is as follows:

Particulars	Period ended 31 December 2023	Year ended 31 March 2023
Balance as at beginning of the year	487	108
Additions	436	526
Amounts recognized in statement of profit and loss as interest expense	16	11
Payment of lease liabilities	(367)	(158)
Inflation effect due to previous year restatement	(171)	-
Balance as at end of the Period/Year	**401**	**487**

The following table presents a maturity analysis of expected undiscounted cash flows for lease liabilities as on 31 December 2023:

Particulars	As at 31 December 2023	As at 31 March 2023
Within one year	144	257
One to two years	222	183
Two to three years	57	62
Total lease payments	**423**	**502**
Imputed interest	22	15
Total lease liabilities	**401**	**487**

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:

Particulars	Total minimum lease payments outstanding	Interest included in minimum lease payments	Present value of minimum lease payments
As at 31 December 2023			
Not later than one year	2,684	223	2,461
Later than one year but not later than five years	4,202	301	3,901
	6,886	**524**	**6,362**
As at 31 March 2023			
Not later than one year	6,704	401	6,303
Later than one year but not later than five years	2,263	120	2,143
	8,967	**521**	**8,446**

2.28 Financial Instruments

(a) Financial assets and liabilities

The carrying value of financial instruments by categories as at 31 December 2023 is as follows:

Particulars	Amortized Cost (TRY)	Total Carrying Value (TRY)
Financial Assets		
Trade Receivables	51,943	51,943
Cash and Cash Equivalents	119,288	119,288
Others (refer note 2.4)	7,268	7,268
Total	178,499	178,499
Financial Liabilities		
Trade Payables	155,614	155,614
Lease liabilities	401	401
Others (refer note 2.13)	928	928
Total	156,943	156,943

The carrying value of financial instruments by categories as at 31 March 2023 is as follows:

Particulars	Amortized Cost (TRY)	Total Carrying Value (TRY)
Financial Assets		
Trade Receivables	59,198	59,198
Cash and Cash Equivalents	62,977	62,977
Others (refer note 2.4)	9,559	9,559
Total	131,734	131,734
Financial Liabilities		
Trade Payables	107,589	107,589
Lease liabilities	487	487
Others (refer note 2.13)	946	946
Total	109,022	109,022

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

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

The Company's risk management policy aims to reduce volatility in financial statements while maintaining balance between providing predictability in the Company's business plan along with reasonable participation in market movement.

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

(i) Foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in exchange rates. The Company’s exposure to the risk of changes in exchange rates relates primarily to the Company’s operations.

The exchange rate risk primarily arises from assets and liabilities denominated in curriences other than functional curreny. An insignificant portion of the Company's revenue is in other foreign currency while a large protion of costs are in TRY. The fluctuation in exchange rates in respect to TRY may not have potential impact on the statement for profit and loss and equity.

Appreciation / depreciation of 5% in respective foreign currencies with respect to functional currency of the Company would result in decrease/increase in the Company’s profit before tax by approximately TRY 28,346 (31st March 2023, TRY 8,955) for the year ended 31 December 2023.
The rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 5% against the respective functional currencies of the Company and its branches. The sensitivity analysis presented above may not be representative of the actual change.

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

	Financial assets		Financial liabilities	
	31 December 2023	31 March 2023	31 December 2023	31 March 2023
	(TRY)	(TRY)	(TRY)	(TRY)
USD/TRY	145,882	29,334	28,879	13,295
EUR/TRY	3,534	1,079	12,018	633
MYR/TRY	74	-	3,530	1,993
AED/TRY	10,103	-	9,676	741
CNY/TRY	-	-	1,033	693

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

(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 investments are primarily in fixed rate interest bearing investments. Hence the Company is not significantly exposed to interest rate risk.

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

	As at	
	31 December 2023	31 March 2023
	(TRY)	(TRY)
Balance at the beginning of the period/year	135	447
Additional provision during the period/year	1,959	13
Deductions on account of write offs and collections	-	(325)
Inflation impact due to previous year restatement	(47)	-
Balance at the end of the period/year	**2,047**	**135**

Liquidity risk

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

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

	Year 1 (Current)	Year 2	Year 3	Year 4-5 and thereafter	Total
	(TRY)	(TRY)	(TRY)	(TRY)	(TRY)
As at 31 December 2023					
Trade payables	155,614	-	-	-	155,614
Lease liabilities	144	222	57	-	423
Other financial liabilities	928	-	-	-	928
Total	156,686	222	57	-	156,965
As at 31 March 2023					
Trade payables	107,589	-	-	-	107,589
Lease liabilities	257	183	62	-	502
Other financial liabilities	946	-	-	-	946
Total	108,792	183	62	-	109,037

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

2.29 Ratios

Ratio	Numerator	Denominator	Units	Period ended 31 December 2023	Year ended 31 March 2023	Variance
Debt Equity Ratio	Total debts (refer note 1 below)	Total equity	Times	0.01	0.02	-49%
Debt Service Coverage Ratio	Earning availables for debt service (refer note 2 below)	Debt service (refer note 3 below)	Times	69	26	167%
Current ratio	Current assets	Current liabilities	Times	1.185	1.119	6%
Return on equity ratio	Profit for the year	Average total equity	%	53.78	32.02	68%
Inventory turnover ratio	Cost of good sold (refer note 4 below)	Average inventories	Times	3.36	8.09	-58%
Trade receivables turnover ratio	Revenue from operations	Average trade receivables	Times	2.03	3.59	-43%
Trade payables turnover ratio	Net credit purchases (refer note 5 below)	Average trade payables	Times	0.72	1.79	-60%
Net capital turnover ratio	Revenue from operations	Working capital (refer note 6 below)	Times	3	7	-53%
Net profit ratio	Profit for the year	Revenue from operations	%	15.77	4.50	250%
Return on capital employed	Earning before interest and taxes	Capital employed (refer note 7 below)	%	61.09	53.78	14%

Notes :
(1) Total debts consists of borrowings and lease liabilities
(2) Earning availables for debt services = Profit for the year + depreciation, amortisation and impairment + interest + loss on sale of property,plant and equipments + Provision for doubtful debts + share based payment to employees + non cash charge
(3) Debt service = Interest + payment for lease liabilities + principal repayments
(4) Cost of goods sold includes purchase of stock in trade and change in inventories of stock in trade
(5) Net credit purchase includes purchase of stock-in-trade , change in inventories of stock-in-trade, outsourcing costs and other expenses
(6) Working capital = current assets - current liabilities
(7) Capital employed = Tangible net worth includes acquired goodwill and other intangibles assets + total debt - deferred tax assets
(8) Average is calculated based on simple average of opening and closing balances

Explanation where change in the ratio is more than 25%
(1) Debt Equity Ratio: Decrease is on account of increase in other equity in the current year
(2) Debt Service Coverage Ratio: Increase is on account of increase in operating profit in the current year.
(3) Return on equity ratio: Increase is due to increase in profit in the current year
(4) Inventory turnover ratio: Decrease is due to decrease in purchase of stock in trade in the current year.
(5) Trade receivables ratio: Decrease is due to decrease in revenue from operations in the current year and increase in trade receivables in current year
(6) Trade payables ratio: Decrease is due to increase in average trade payables in the current year
(7) Net Capital Turnover ratio: Decrease is due to increase in working capital in the current year
(8) Net profit ratio: Increase is due to increase in other income in the current year

2.30 Subsequent event
The Company has evaluated all the subsequent events through 03 July 2024, 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.

2.31 The Company has presented its financial statements in " TRY in thousands" and accordingly, amounts less than TRY 0.50 thousands are rounded off to zero.

As per our report of even date attached

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

Prince Sharma
Prince Sharma (Jul 3, 2024 16:40 GMT+5.5)

Prince Sharma
Partner
Membership Number: 521307

Gurugram, India
Date: 03 July 2024

For and on behalf of the Board of Director
of HCL Istanbul Bilisim Teknolojileri Limited Sirketi

Goutam Rungta
Goutam Rungta (Jul 3, 2024 13:47 GMT+5.5)

Goutam Rungta
Director

Noida, India
Date: 03 July 2024