



Independent auditor's report

To: the General Meeting of Shareholders of HCL Technologies B.V.

Report on the audit of the accompanying financial statements

Our opinion

We have audited the financial statements for the period 1 April 2024 up to and ended 31 December 2024 of HCL Technologies B.V., based in 's-Gravenhage.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of HCL Technologies B.V. (or hereafter 'the Company') as at 31 December 2024, and of its result for the period 1 April 2024 up to and ended 31 December 2024 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- 1 the balance sheet as at 31 December 2024;
- 2 the profit and loss account for the period 1 April 2024 up to and ended 31 December 2024;
- 3 the statement of Cash flows for the period 1 April 2024 up to and ended 31 December 2024; and
- 4 the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of HCL Technologies B.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in respect of fraud and non-compliance with laws and regulations and going concern was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

Audit response to the risk of fraud and non-compliance with laws and regulations

In the paragraphs 'Breach of data privacy and protection / Noncompliance to Global Data Protection Regulation (GDPR)', 'Fraud risk analysis', and 'Information concerning application of code of conduct' of the management report, the Board of Managing Directors describes its procedures in respect of the risk of fraud and non-compliance with laws and regulations.

As part of our audit we have gained insights into the Company and its business environment, and assessed the design and implementation of the Company's risk management in relation to fraud and non-compliance. Our procedures included, among other things, assessing the Company's code of Business Ethics and Conduct, Anti-Bribery and Anti-Corruption Policy and whistleblowing procedures. Furthermore, we performed relevant inquiries with the Board of Managing Directors and other relevant functions. We have also incorporated elements of unpredictability in our audit.

As a result from our risk assessment, we identified the following laws and regulations as those most likely to have a material effect on the financial statements in case of non-compliance:

- anti-bribery and corruption laws and regulations;
- data privacy legislation.

Further, we assessed the presumed fraud risk on revenue recognition as irrelevant, since the Company's significant revenue contracts are non-complex in nature, do not require significant judgment and the accounting on these revenues is considered non-complex. In addition no specific financial targets have been set for management. Therefore incentives, pressure, and opportunities are limited and we have concluded that we are able to rebut the presumption that there is risk of fraud in revenue recognition.

Based on the above and on the auditing standards, we identified the following fraud risk that is relevant to our audit, which comprise the presumed risks laid down in the auditing standards, and responded as follows:

Management override of controls (a presumed risk)

Risk:

- Management is in a unique position to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

Responses:

As part of our work we have performed the following procedures:

- We evaluated the design and the implementation of internal controls that mitigate fraud risks, such as processes related to journal entries.

- As part of the fraud risk assessment, we performed a data analysis of the journal entries population to determine if high-risk criteria for testing applies and evaluated relevant estimates and judgments for bias by the Company's management. Where we identified instances of unexpected journal entries or other risks through our data analytics, we performed additional audit procedures to address each identified risk, including testing of transactions back to source information.
- We incorporated elements of unpredictability in our audit.

We communicated our risk assessment, audit responses and results to the Board of Managing Directors.

Our audit procedures did not reveal indications and/or reasonable suspicion of fraud and non-compliance that are considered material for our audit.

Audit response to going concern

The Board of Managing Directors has performed its going concern assessment and has not identified any going concern risks. To assess the Board of Managing Directors' assessment, we have performed, inter alia, the following procedures:

- We considered whether Board of Managing Directors' assessment of the going concern risks includes all relevant information of which we are aware as a result of our audit.
- We analysed the Company's financial position as at period-end and compared it to the previous financial year in terms of indicators that could identify going concern risks.

The outcome of our risk assessment procedures did not give reason to perform additional audit procedures on Board of Managing Directors' going concern assessment.

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains all the information regarding the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The Board of Managing Directors is responsible for the preparation of the other information, including the management report, in accordance with Part 9 of Book 2 of the Dutch Civil Code, and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Description of the responsibilities for the financial statements

Responsibilities of the Board of Managing Directors for the financial statements

The Board of Managing Directors is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Board of Managing Directors is responsible for such internal control as the Board of Managing Directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Board of Managing Directors is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the Board of Managing Directors should prepare the financial statements using the going concern basis of accounting unless the Board of Managing Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Managing Directors should disclose events and circumstances that may cast significant doubt on the Company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud during our audit.

Misstatements can arise from fraud or errors 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 the financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to errors or fraud, designing and performing audit procedures responsive to those risks, and obtaining 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 errors, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining 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;

- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Managing Directors;
- concluding on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 ceasing to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are solely responsible for the opinion and therefore responsible to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements. In this respect we are also responsible for directing, supervising and performing the group audit.

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 findings in internal control that we identify during our audit.

Zwolle, 3 June 2025

KPMG Accountants N.V.

J.J. van den Berg RA

Annual report
for the 9 months period ended 31st December, 2024
of HCL Technologies B.V.

Registered office:
Address:

The Hague
Prinses Beatrixlaan 532, Unit C06.01, 2595BM 's-Gravenhage,
The Netherlands

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1 Management report

Management of HCL Technologies B.V. (“the Company”) hereby presents its management report for the period 1 April 2024 to 31 December, 2024.

General information

The Company is primarily engaged in providing a range of IT and business services, engineering and R&D services and product & platform services.

The Company is active in the sectors of software-led IT solutions, externally controlled infrastructure management. It provides services to both international and as well as domestic clients.

HCL Technologies B.V. (“the Company”) is a wholly owned subsidiary of HCL Technologies UK Limited, United Kingdom. The Company forms part of the HCL group, and the ultimate parent company is HCL Technologies Limited registered in India.

The company has changed its financial year-end from March 31 to December 31 based on management decision. As a result, the current financials cover a nine-month period from April 1, 2024 to December 31, 2024. Future financial years will follow the calendar year format.

I. Business development and environment

Annual yield

During the current period (1 April, 2024 to 31 December, 2024) the turnover of the Company is € 187,506,617 as compared to € 218,921,704 in the previous financial year (1 April, 2023- 31 March, 2024). The profit for the current period of 9 months is € 5,718,323 as compared to € 6,942,277 in the previous financial year.

II. Company situation

Financial situation

Fixed assets and depreciation & amortization

The depreciation was conducted according to the linear method. Deductions are recorded pro-rata for acquisitions and disposals. For the current period, the depreciation and amortization amounted to € 433,061 (*2023/24: € 573,835).

Share Capital in FY 2024

As on 31 December, 2024, the capital stock and capital surplus together amount to € 22,126,279 as compared to 19,902,124 at 31 March, 2024.

Cash flow

During the current period there was net cash inflow of € 15,918,354 (*2023/24: outflow of € 4,036,023). For further details, refer Page-11 cash flow statement included in the accompanying financial statements.

Ratios:

The solvency ratio and current ratio of the company as on 31 Dec, 2024 is 0.32 and 1.23 (*2023/2024: 0.34 and 1.27) respectively.

Performance development

Development of sales: There is satisfactory development of sales to € 187,506,617 during current nine month period in comparison to € 218,921,704 in the twelve month period of previous financial year. Although, the absolute figures appear lower but on a proportionate basis, revenue has increased due to strong market conditions. The major increase is due to business dealing with new customers.

*The term previous financial year and 2023/2024 refers to the 12 month period from 1 April 2023 to 31 March 2024.

Development of costs: The operating costs are € 179,159,145 during the current period of 9 months in comparison to € 209,013,290 in the 12 months period of previous financial year. There is proportionate increase in the costs in the current period which commensurate with the overall business of the Company.

Development of profits: The profits after taxes for the current period of nine months amounted to € 5,718,323 as compared to € 6,942,277 in the twelve months period of previous financial year. When annualized, the current period profit after taxes indicate an upward trend, driven by strong market conditions in the current period.

Personnel

1. Number and structure of employees

For the current period, the number of employees were 879 which comprised of 737 men and 142 women in the Company (*2023/24: 776).

2. Personnel guidelines

The Company offers continuing education and training for handicapped employees. If the handicap occurs after entering the Company, the Company is obligated to continue employing this individual and adequately qualifying this employee. The Company is also obligated to regularly communicate relevant internal news and decisions. If decisions are made that affect the employees, the employees' opinions will be considered during the decision process.

3. Risks influencing development

The software industry is continuing to grow in a dynamic and strongly competitive environment. This sector is characterized by fast technological changes and innovations that constantly challenge the existing and conventional business models.

4. Dependencies/concentrations

The group led by the parent company, HCL Technologies Ltd. in India, which HCL Technologies B.V. belongs to, maintains a broad customer base to ensure the independence from individual clients, special services, or geographical factors.

5. Human resources

Keeping with the parent Company, the Company approved an initiative by the name of "Employee first". Together with other measures, the goal of this initiative is to make the Company an attractive employer.

Diversity of Board Members

At the end of 2021, a law was passed to amend Book 2 of the Dutch Civil Code in connection with better balancing the ratio of men to women on the management board and the supervisory board of large NV's and large BV's. This law entered into force on 1 January 2022.

The law contains measures to promote diversity at the top of the business community, in which the law has provisions for large NV's and large BV's and in addition to this, specific provisions for companies listed (certificates of) shares. For example, large NV's and large BV's shall set appropriate and ambitious goals in the form of a target to make the ratio between the number of men and women in the Management board and the supervisory board as well as in categories of employees in managerial positions to be designated by the company, more balanced. The company must annually draw up an internal plan to achieve the set targets.

The company drew up an internal plan to achieve the set targets of the new law. As a matter of course the company takes care of the advancement of women in business and the continuous development of anterior employees. For now the Board of Management consists of male members only. The Board members have been appointed based on the qualifications and availability, irrespective of gender. In order to create more balance into Board, the board will take regulations as per relevant law into account to the extent possible for future appointments of members.

Sustainability

We have embedded ESG principles at the heart of our business and operational strategies. Our unwavering commitment to sustainable and responsible progress aims to our stakeholders, contributing to a sustainable future for everyone.

We understand that impact starts with us. We act in the most responsible and sustainable manner. We ensure we use every resource efficiently to garner the maximum value.

Working together for a sustainable future, hand in hand with our clients, partners and other stakeholders.

We focus on creating a sustainable impact through all our initiatives and activities.

Governance Goals

- Strengthen the sustainable supply chain process.
- Integrate ESG into risk management and internal audit processes.

Risk Management

The Company has no financial instruments other than cash and short term deposits and other assets and liabilities such as trade receivables and trade payables which arise directly from its business operations. Refer to Note 23 to the financial statements on Financial Instruments for the details.

Principal risks and uncertainties

The software industry thrives on a dynamic and highly competitive business environment, characterised by rapid technological changes and innovations that constantly challenge the conventional business models. The Company faces several business risks, of which prominent ones are discussed below along with the Company's strategy to mitigate these risks:

1. Technology related risks

Risk

The Company operates in an ever evolving and dynamic technology environment and it is of utmost importance that the Company continuously reviews and upgrades its technology, resources and processes to avoid obsolescence.

HCL Group strategy

The Company is not dependent on any single technology or platform. It has developed competencies in various technologies, platforms and operating environment and offers wide range of technology options to clients to choose from for their needs.

2. Competition related risks

Risk

The overall market growth is slowing and more and more competitors are vying with each other for market share. The line is diminishing between the traditional IT services players and non-traditional players. Now the customers have more choices of technology, vendors and service models which force every entity to perform to their best capabilities and to enhance them.

HCL Group strategy

The Company has been quick to respond to the changing competitive dynamics. The company is emphasizing on updating the new technologies and derive growth with new products to ensure company continue to grow and remains financially viable.

3. Business continuity & information security

Risk

The Company is dealing in maintaining, developing and operating time critical Business and IT applications for various customers and any catastrophe may halt business activities and cause irreparable damage to the brand reputation of the Company. Similarly, the vital need for confidentiality and security of confidential data both belonging to clients as well as the Company itself also pose risks of leaks, loss or compromise of information.

HCL Group strategy

The Company has put in place a comprehensive business continuity program to ensure that it meets its business continuity and disaster recovery related requirements. There is also an Information Security team to assess and manage the information security and data privacy and related risks by leveraging on People, Processes & Technology

4. Breach of data privacy and protection / Noncompliance to Global Data Protection Regulation (GDPR)

Risk

Privacy and protection of personal data is an area of increasing concern globally. Legislations like GDPR in Europe carry severe consequences for non-compliance or breach. Any violation or security breach observed non-compliance or inadequacy of privacy policies and procedures can result in substantive liabilities, penalties and reputational impact.

HCL Group strategy

a.A global privacy policy is in place covering all applicable geographies and areas of operations.

b.A new organizational unit has been set up to ensure compliance to various Data Privacy Regulations, including GDPR.

c.Continued focus on employee related agreements with respect to Personally Identifiable Information (PII) and Sensitive Personal Data and Information (SPDI).

d.Data protection controls are a part of the engagement security management process

e.Robust risk response mechanisms are in place to cater to protection of sensitive data in the Company's ecosystem as well protection of such data in Client-managed networks in Offshore/ Global Delivery centres.

f. Sensitive and complex engagements leverage industry standard practice of data masking technologies to protect PII and SPDI.

g. Data Protection Impact Assessments of all applications / processes both within Company's enterprise systems and outside.

h.Enhancement of vendor contracts.

i.Formal Data Transfer Agreements for explicit agreements on data sharing.

j.Embedding privacy by design in our systems to secure personal data.

5. Cyber Attack

Risk

Risks of cyber-attacks with its fast evolving nature, continue to remain a threat. In addition to impact on business operations, a security breach could result in reputational damage, penalties and legal and financial liabilities.

HCL Group strategy

a.Investments in automated prevention and detection solutions

b.Continued reinforcement of stringent security policies and procedures

- c. Collaboration with Computer Emergency Response Team (CERT) and other private Cyber Intelligence agencies, and enhanced awareness of emerging cyber threats
- d. Enterprise-wide training and awareness programs on Information Security
- e. Periodic rigorous testing to validate effectiveness of controls through Vulnerability Assessment and Penetration Testing

Risk Appetite and Management.

As part of its risk management measures, the Company is continually monitoring the most common risk associated with the software industry i.e. frequent changes in technologies. In the Company's opinion, company is well versed to adopt the changes in technologies via research and development which is done centrally by the parent company. Hence, adoption of changes in technologies offers adequate coverage for the financial consequences of the Company's business. The financial impact of this risk can't be quantified.

Research and Development

As the Company has the function of a sales office, the research and development is done centrally by HCL Technologies Limited.

III. Fraud risk analysis

There are no specific fraud risks which are identified and the company has a proper and adequate system of internal financial controls. However, Considering the global footprint of the group, the complex internal environment and the need to interact at various levels with the external environment for different supply chain activities, HCL group is vulnerable to the risk of fraud. The company recognizes this as a critical business risk as the inability to control fraud due to the absence of fraud control measures can lead to serious financial losses and severe reputational damage.

HCL Group has implemented measures to manage the risk of fraud effectively, including COBEC (Code of Business Ethics and Conduct-Global), the Whistleblower framework, Investigation capabilities, ABAC (Anti-Bribery and Anti-Corruption) framework, Internal Audit and Management Audit, IFC (Internal Financial Controls) framework, Employee awareness campaigns and others which are applicable on HCL Technologies B.V. as well.

IV. Information concerning application of code of conduct

The Code of conduct is established by the parent company, and it covers all the subsidiaries including HCL Technologies B.V.

V. Prognosis of future development

The Directors believe that future profits will be created through the positive business development. In order to sustain the business operations, the parent company is obligated to provide financial support if needed. The company will focus on three categories of service for development of business :

Software Services : Information Technology ("IT") services such as custom application development and maintenance, technology services, product engineering, and package implementation.

Infrastructure Services : Infrastructure related IT enabled services such as Remote Infrastructure Management ("RIM"), data center operations, end user computing, network management, and security management.

Business Process Outsourcing Services : IT enabled services such as technical helpdesk, back office services, transaction processing, and call center services.

Below are the brief out look on business:

1. Outlook on R&D :

The research and development is done centrally by the parent company, HCL Technologies Ltd.

2. Outlook on human resource :

The Company's human resources strategy is focused on providing a stimulating environment which is flexible, nurtures social contract, fosters innovation, builds a result-oriented, high performance culture.

3. Outlook on financing of the company :

The company is a deliver centre and is financed by its ultimate holding company i.e. HCL Technologies Limited.

4. Outlook on business (e.g. expectation of sales, customers, etc.), including but not limited to:

The Company has strong customer base in the Netherlands and primarily having 234 active engagements with the well known customers.

Many of the engagements are pan European in nature so delivering services to multiple countries within EU region. As Netherlands is conveniently located within EU region and given its strong economic performance, is a good hub for our growth in EU region. Plus, in order to service clients in the region, the Company will invest in a local talent pool more as opposed to delivering from global delivery centers. The Company requires significant amount of local consulting capability and program management capability to manage such large client engagements. The Company has recently started the process to set-up a small delivery center in The Hague to service the clients across the region in the new wave of "Customer Experience Service Delivery" and to help clients to become more digitized organizations. This will create more employment opportunities in the region and will ultimately lead more jobs in the local market. Immediately, we do anticipate new jobs to be fulfilled from the local market either through direct recruitment or on a contract basis from our local partners.

4.1 Strategy of financing and expected or planned future financing

The Company may require investment funds mostly on two fronts – operational expense of the company and sales/marketing investments.

4.2 Strategy of human resources and expected or planned future changes to human resources

The Company is expecting to have growth in the business in Netherland as well as in EU regions, hence it is expected that more employment opportunities may result in the company.

4.3 Known future circumstances which significantly influence the profitability or recoverability

The Company is consistently growing year on year and also expecting good business opportunities which will result not only in growth of the company but also growth of the region. The company is focusing on the following:

- Engagement of local talent people more as opposed to delivering from global delivery centers.
- Significant amount of local consulting capability and program management capability need to be added to our overall portfolio
- To pursue and explore inorganic means to acquire capability to meet our revenue goals and also capability objectives.

The Board of Managing Directors



Bejoy Joseph George



Shiv Kumar Walla



Goutam Rungta

HCL Technologies B.V.

Date: 3rd June, 2025

Place: S-Gravenhage

FINANCIAL STATEMENTS

For the Financial period 01 April, 2024 to 31 December, 2024

2. Balance sheet as at 31 December, 2024

All amounts in € before appropriation of results

Assets

		<u>31 December, 2024</u>	<u>31 March, 2024</u>
Fixed assets			
Intangible fixed assets	Note (1a)	932,981	869,227
Tangible fixed assets	Note (1b)	713,884	808,809
Financial fixed assets	Note (2)	9,738,795	3,904,870
		<u>11,385,660</u>	<u>5,582,906</u>
Current assets			
Inventories	Note (3)	49,046	-
Trade Receivables and other receivables	Note (4)	56,568,798	65,531,470
Cash and cash equivalent	Note (5)	23,320,477	7,402,123
Total assets		<u>91,323,981</u>	<u>78,516,499</u>

Shareholder's equity and liabilities

		<u>31 December, 2024</u>	<u>31 March, 2024</u>
Shareholder's equity			
Share capital paid up and called up	Note (6)	100,000	100,000
Other reserves	Note (6)	19,802,124	12,859,847
Undistributed Reserves	Note (6)	2,224,155	6,942,277
		<u>22,126,279</u>	<u>19,902,124</u>
Provisions	Note (7)	3,603,844	2,025,104
Non Current liabilities	Note (8)	4,010,349	1,038,333
Current liabilities	Note (9)	61,583,509	55,550,938
Total shareholder's equity and liabilities		<u>91,323,981</u>	<u>78,516,499</u>

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

3. Profit and loss account

for the period ended 31 December, 2024

		1 April 2024- 31 December 2024	1 April 2023- 31 March 2024
Net turnover	Note (10)	187,506,617	218,921,704
Total operating income		187,506,617	218,921,704
Cost of raw material and consumables		(3,145,682)	(1,180,208)
Change in inventory		(49,046)	(193,303)
Cost of outsourced services and other external costs	Note (11)	(104,196,509)	(126,872,838)
Wages and salaries	Note (12)	(57,243,418)	(64,758,592)
Social security and pension charges	Note (13)	(8,745,767)	(9,906,974)
Depreciation and amortization	Note (1)	(433,061)	(573,835)
Other operating expenses	Note (14)	(5,345,662)	(5,527,540)
Total operating expenses		(179,159,145)	(209,013,290)
Operating Result		8,347,472	9,908,414
Interest income and similar income	Note (15 A)	307,255	96,408
Interest expenses and similar charges	Note (15 B)	(683,307)	(275,076)
Profit before taxation		7,971,420	9,729,746
Tax on result	Note (16)	(2,253,097)	(2,787,469)
Net profit		5,718,323	6,942,277

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

4. Statement of Cash Flows

for the period ended 31 December, 2024

		1 April 2024- 31 December, 2024	1 April 2023- 31 March, 2024
<i>Operating activities</i>			
Profit before tax		7,971,420	9,729,746
Adjustments to reconcile net income with net cash provided by operating activities:			
- Depreciation and amortization	(Note 1)	433,061	573,835
- Loss on Sale of fixed asset	(Note 1)	522	519
- Interest expenses	(Note 15 B)	2	1,864
- Interest income	(Note 15 A)	(307,255)	(96,408)
- Change in receivables	(Note 4)	8,967,358	(9,494,113)
- Change in inventories	(Note 3)	(49,046)	193,303
- Change in financial and other assets	(Note 4 & 2)	(2,539,382)	(3,863,098)
- Changes in provision	(Note 7)	1,578,740	(1,285,198)
- Change in financial and other liabilities	(Note 9)	9,001,373	2,783,653
Cash flow from operations		25,056,793	(1,455,898)
- Interest received	(Note 15 A)	307,255	96,408
- Interest paid	(Note 15 B)	(2)	(1,864)
- Income tax paid		(1,949,112)	(2,566,657)
Net cash flow generated from / (used in) operating activities		23,414,934	(3,928,011)
<i>Investing activities</i>			
- Purchase of fixed assets	(Note 1)	(401,890)	(107,493)
- Loss on sale of fixed asset	(Note 1)	(522)	(519)
- Fixed Deposits		(3,600,000)	-
Net cash flows used in investing activities		(4,002,412)	(108,012)
<i>Financing activities</i>			
- Payment of Dividend to Shareholders	(Note 6)	(3,300,000)	-
- Share based payment	(Note 6)	(194,168)	-
Net cash flows used in financing activities		(3,494,168)	-
Net increase/ (decrease) in cash and cash equivalents		15,918,354	(4,036,023)
Cash and cash equivalents at beginning of financial period		7,402,123	11,438,146
Cash and cash equivalents at end of financial period		23,320,477	7,402,123

5 Notes to the Financial Statements

(I) General

HCL Technologies B.V. (“The Company”) forms part of the HCL group, the ultimate parent is HCL Technologies Ltd. registered at Uttar Pradesh, India. HCL Technologies B.V. registered at Prinses Beatrixlaan 532, Unit C06.01, 2595BM 's-Gravenhage, The Netherlands is a wholly owned subsidiary of HCL Technologies UK limited, United Kingdom.

The activities of the Company and the Group are carried out both inland and abroad, with the countries of the European Union being the primary sales market.

The registration number of HCL Technologies B.V. is 58805206.

(II) Financial Reporting Period

During the reporting period, the company has changed its financial year-end from March 31 to December 31 based on management decision. As a result, these financials cover a nine-month period from 1 April 2024 to 31 December, 2024.

(III) Basis for preparation of the Financial Statements

- (i) The financial statements are prepared in accordance with Part 9 of Book 2 of the Dutch civil code.
- (ii) The reporting and functional currency of the Company is Euro.

The accounting policies applied for measurement of assets and liabilities and determination of results are based on the historical cost convention, unless otherwise stated in the further accounting principles.

(IV) Going Concern

The financial statements of the Company have been prepared on the basis of the going concern assumption.

(V) Accounting Policies

1) General

Assets and liabilities are measured at historical cost, unless stated otherwise in the further principles.

An asset is recognised in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the asset has a cost price or value of which the amount can be measured reliably. Assets that are not recognised in the balance sheet are considered as off-balance sheet assets.

A liability is recognised in the balance sheet when it is expected that the settlement of an existing obligation will result in an outflow of resources embodying economic benefits and the amount necessary to settle this obligation can be measured reliably. Provisions are included in the liabilities of the Company. Liabilities that are not recognised in the balance sheet are considered as off-balance sheet liabilities.

An asset or liability that is recognised in the balance sheet, remains recognised on the balance sheet if a transaction (with respect to the asset or liability) does not lead to a major change in the economic reality with respect to the asset or liability. Such transactions will not result in the recognition of results. When assessing whether there is a significant change in the economic circumstances, the economic benefits and risks that are likely to occur in practice are taken into account. The benefits and risks that are not reasonably expected to occur, are not taken into account in this assessment.

An asset or liability is no longer recognised in the balance sheet, and thus derecognised, when a transaction results in all or substantially all rights to economic benefits and all or substantially all of the risks related to the asset or liability are transferred to a third party. In such cases, the results of the transaction are directly recognised in the profit and loss account, taking into account any provisions related to the transaction.

If assets are recognised of which the Company does not have the legal ownership, this fact is being disclosed.

Income is recognised in the profit and loss account when an increase in future economic potential related to an increase in an asset or a decrease of a liability arises of which the size can be measured reliably. Expenses are recognised when a decrease in the economic potential related to a decrease in an asset or an increase of a liability arises of which the size can be measured with sufficient reliability.

Revenues and expenses are allocated to the respective period to which they relate. Revenues are recognised when the Company has transferred the significant risks and rewards of ownership of the goods to the buyer.

2) 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 in the balance sheet comprise cash in banks, which is subject to an insignificant risk of changes in values.

Cash and cash equivalents are measured at nominal value. If cash and cash equivalents are not readily available, this fact is taken into account in the measurement.

Cash and cash equivalents denominated in foreign currencies are translated at the balance sheet date in the functional currency at the spot exchange rate applicable at that date. Reference is made to the accounting policies for foreign currencies.

Cash and cash equivalents that are not readily available to the Company within 12 months are presented under financial fixed assets.

Financial instruments at amortized cost

A financial instrument is measured at the amortized cost if both the following conditions are met: The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and 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.

Derecognition of financial assets

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

ii) Financial liabilities

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

The Company's financial liabilities include trade payables and other payables.

After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method 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.

3) Use of estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the accounting principles and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

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 10.
- ii) Allowance for uncollectible accounts receivables, refer note 4.
- iii) Recognition of income and deferred taxes.
- iv) Useful lives of property, plant and equipment.
- v) Lives of intangible assets.
- vi) Key assumptions used for impairment of goodwill.
- vii) Identification of leases and measurement of lease liabilities.

4) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is the aggregate of the consideration transferred measured at fair value at the acquisition date. Acquisition related costs are expensed as incurred.

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

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

5) Business combinations under common control

A business combination under common control is a business combination of an entity that is under common control with the acquirer. Such business combinations are also referred to as common control transactions.

Business combinations under common control are accounted for using the 'pooling of interests' method.

6) Fixed assets

Intangible fixed assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is measured at their fair value at the date of acquisition. Subsequently, 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.

Intangible assets consist of software license, Customer Relationship and Goodwill. Amortization is based on the useful lives as follows:

Category of asset	Useful life (Years)
Software license	1 to 3
Customer Relationship	10
Goodwill	10

Tangible fixed assets

Tangible fixed assets are recognised in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the cost of that asset can be measured reliably.

Plant and equipment and tangible fixed assets under construction are measured at cost, less accumulated depreciation and impairment losses. The cost comprises the price of acquisition or manufacture, plus other costs that are necessary to get the assets to their location and condition for their intended use. Expenditure is only capitalised when it extends the useful life of the asset. The cost of self-constructed assets includes the cost of materials and consumables and other costs that can be directly attributed to the construction. In addition, the cost of construction includes a reasonable part of the indirect costs and interest on loans for the period attributable to the construction of the asset.

Assets retired from active use are measured at the lower of book value or net realisable value.

7) Depreciation of fixed assets

Depreciation of fixed assets is provided on the straight-line method based on estimated useful lives as estimated by the management. No depreciation is recognised on tangible fixed assets under construction. Depreciation starts as soon as the asset is available for its intended use, and ends at decommissioning or divestment.

Category of asset	Useful life (Years)
Computer and Networking equipment	4 to 5
Furniture, Fixtures & office equipments	5 to 7
Machinery & Equipments	10 to 17

8) Impairment of fixed assets

Tangible and intangible fixed assets are assessed at each reporting date whether there is any indication of an impairment. If any such indication exists, the recoverable amount of the asset is estimated. The recoverable amount is the higher of value in use and net realisable value. If it is not possible to assess the recoverable amount for an individual asset, the recoverable amount is assessed for the cash-generating unit to which the asset belongs.

When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, an impairment loss is recognised for the difference between the carrying amount and the recoverable amount. If there is an impairment loss for a cash-generating unit, the loss is first allocated to goodwill allocated to the cash-generating unit. Any residual loss is allocated to the other assets of the unit pro rata to their book values.

Subsequently, at each reporting date, the entity assesses whether there is any indication that an impairment loss that was recorded in previous years has been decreased. If any such indication exists, then the recoverable amount of the asset or cash-generating unit is estimated.

Reversal of a previously recognised impairment loss only takes place when there is a change in the assessment used to determine the recoverable amount since the recognition of the last impairment loss. In such case, the carrying amount of the asset (or cash-generating unit) is increased to its recoverable amount, but not higher than the carrying amount that would have applied (net of depreciation) if no impairment loss had been recognised in previous years for the asset (or cash-generating unit).

Fixed assets available for sale are measured at the lower of their carrying amount and net realisable value.

9) Leasing

The Company may enter into finance and operating leases. A lease agreement under which the risks and rewards of ownership of the leased object are carried entirely or almost entirely by the lessee are classified as finance leases. All other leases are classified as operating leases. For the lease classification, the economic substance of the transaction is conclusive rather than the legal form.

At inception of an arrangement, the Company assesses whether the lease classifies as a finance or operating lease.

Finance leases

If the Company acts as a lessor in a finance lease, the leased asset is initially recognised as a receivable for the amount equal to the net investment in the lease. The subsequent measurement is as such that interest income recognised in each year of the lease term shows a constant periodic rate of return, based on the net investment outstanding in respect of the finance lease.

Operating leases

If the Company acts as lessee in an operating lease, the leased property is not capitalised. Benefits received as an incentive to enter into an agreement are recognised as a reduction of rental expense over the lease term. Lease payments and benefits

regarding operating leases are recognised to the profit and loss account on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern of the benefits from the use of the leased asset.

10) 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.

11) Receivables

The accounting policies applied for the valuation of trade and other receivables and securities are described under the heading 'Financial instruments'.

12) Shareholder's equity

Financial instruments that are designated as equity instruments by virtue of the economic reality are presented under shareholder's equity. Payments to holders of these instruments are deducted from the shareholder's equity as part of the profit distribution.

Financial instruments that are designated as a financial liability by virtue of the economic reality are presented under liabilities. Interest, dividends, income and expenditure with respect to these financial instruments are recognised in the profit and loss as financial income or expense.

The purchase of own shares is deducted from the other reserves

13) Current liabilities

The valuation of current liabilities is explained under the heading 'Financial instruments'.

14) Revenue recognition

Revenue from software services comprises income from time and material and fixed price contracts. Revenue with respect to time and material contracts is recognized as related services are performed. Revenue from fixed price contracts and fixed time frame contracts is recognized in accordance with the percentage completion method under which the sales value of performance, including earnings thereon, is recognized on the basis of cost incurred in respect of each contract as a proportion of total cost expected to be incurred. The cumulative impact of any revision in estimates of the percentage of work completed is reflected in the year in which the change becomes known. Provisions for estimated losses are made during the year in which a loss becomes probable based on current contract estimates. Revenue from sale of licenses for the use of software applications is recognized on transfer of title in the user license. Revenue from annual service contracts is recognized on a pro rata basis over the period in which such services are rendered. Income from revenue sharing agreements is recognized when the right to receive is established.

Earnings in excess of billing are classified as unbilled revenues, while billing in excess of earnings are classified as unearned revenue. Incremental revenue from existing contracts arising on future sales of the customers' products will be recognized when it is earned. Revenue and related direct costs from transition services in outsourcing arrangements are deferred and recognized over the period of the arrangement. Certain upfront non-recurring costs incurred in the initial phases of outsourcing contracts and contract acquisition costs, are deferred and amortized usually on a straight line basis over the term of the contract. The Company periodically estimates the undiscounted cash flows from the arrangement and compares it with the unamortized costs. If the unamortized costs exceed the undiscounted cash flow, a loss is recognized.

The Company accounts for volume discounts and pricing incentives to customers. The discount terms in the Company's arrangements with customers generally entitle the customer to discounts, if the customer completes a specified level of revenue transactions. In some arrangements, the level of discount varies with increases in the levels of revenue transactions. The Company recognizes discount obligations as a reduction of revenue based on the ratable allocation of the discount to each of the underlying revenue transactions that result in progress by the customer toward earning the discount.

Revenues are shown net of sales tax; value added tax, service tax and applicable discounts and allowances.

Expenditure

Expenses are accounted for on the accrual basis and provisions are made for all known losses and liabilities. The cost of services for software development is charged to profit and loss account in the same year.

15) Foreign exchange transactions

Foreign exchange transactions are recorded at initial recognition at the exchange rates. Foreign currency Realised gains and losses on foreign exchange transactions are recognised in the profit and loss account. Foreign currency monetary assets and liabilities are translated at the financial year end rate whereas non monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction and resultant gains/losses on foreign exchange translations are recognised in the profit and loss account.

Exchange differences resulting from the settlement of monetary items, or resulting from the translation of monetary items denominated in foreign currency, are recognised in profit and loss in the period in which the exchange difference arise.

16) Employee benefits

Employee benefits are charged to the profit and loss account in the period in which the employee services are rendered and, to the extent not already paid, as a liability on the balance sheet. If the amount already paid exceeds the benefits owed, the excess is recognised as a current asset to the extent that there will be a reimbursement by the employees or a reduction in future payments by the Company.

For benefits with accumulating rights, sabbatical leave, profit-sharing and bonuses the projected costs are taken into account during the employment. An expected payment resulting from profit-sharing and bonus payments is recognised if the obligation for that payment has arisen on or before the balance sheet date and a reliable estimate of the liabilities can be made. Contributions received as a result of a life-course savings scheme ('levensloopregeling') are taken into account in the period in which the contributions are due.

If a benefit is paid in case of non-accumulating rights (e.g., continued payment in case of sickness or disability), the projected costs are recognised in the period in which such benefit is payable. For existing commitments at the balance sheet date to continue the payment of benefits (including termination benefits) to employees who are expected to be unable to perform work wholly or partly due to sickness or disability in the future, a provision is recognised .

The recognised liability relates to the best estimate of the expenditure necessary to settle the obligation at the balance sheet date. The best estimate is based on contractual agreements with employees (collective agreement and individual employment contract). Additions to and reversals of liabilities are charged or credited to the profit and loss account.

For disability risks that are insured, a provision is recognised for the part of the insurance premiums payable in the future that is directly attributable to the individual claims record of the Company . If no reliable estimate can be made of the part of the insurance premiums payable in the future that is directly attributable to the individual claims record of the entity to be paid in the future, no provision is recognised .

Equity Based Incentives

HCL Technologies Limited ('HCLT'), the ultimate parent company has provided equity-based incentives under RSU Plans to eligible employees of HCLT and its subsidiaries which are administered by the Nomination and Remuneration Committee

(NRC) of the Company through a controlled Trust. The restricted stock units (RSUs) granted under the plans entitles the holder to one equity share of the Company at an exercise price, which is approved by the Nomination and Remuneration Committee.

“Share based payments to employees” represents reimbursement of cost to HCLT, towards RSUs granted by HCLT to the employees of the Company. The fair value of these RSUs is determined using the Black-Scholes Model for RSUs with time and non-market performance based vesting conditions.

17) Pension

Pension charge to be recognised for the reporting period is equal to the pension contributions payable to the pension provider over the period.

In so far as the payable contributions have not yet been paid as at balance sheet date, a liability is recognised. If the contributions already paid at balance sheet date exceed the payable contributions, a receivable is recognised to account for any repayment by the fund or settlement with contributions payable in future.

If, on the basis of an administration agreement with respect to a group plan/multi-employer plan, there is an obligation at balance sheet date, a provision is recognised when it is probable that the measures, which are necessary for the recovery of the existing funding ratio at balance sheet date, will result in an outflow of resources and the amount thereof can be estimated reliably.

If there are adjustments to rights accrued as at the balance sheet date arising from future salary increases that are already committed to at the balance sheet date and which shall be paid by the Company, a provision is recognised.

In addition, a provision is included as at balance sheet date for existing additional commitments to the fund and the employees, provided that it is probable that there will be an outflow of funds for the settlement of the commitments and it is possible to reliably estimate the amount of the commitments. The existence or non-existence of additional commitments is assessed on the basis of the administration agreement concluded with the fund, the pension agreement with the employees and other (explicit or implicit) commitments to the employees. The provision is measured at the best estimate of the present value of the anticipated costs of settling the commitments as at balance sheet date. The pre-tax discount rate reflects the market interest rate at the balance sheet date of high quality corporate bonds/yield on government bonds. Risks that have already been taken into account in estimating future expenditure are not included in the discount rate.

For any surplus at the pension provider as at balance sheet date, a receivable is recognised if the Company has the power to withdraw this surplus, if it is likely that the surplus will flow to the Company and if the receivable can be reliably determined.

18) Interest income and similar income and interest expenses and similar charges

Interest income is recognised in the profit and loss account on an accrual basis, using the effective interest rate method. Interest expenses and similar charges are recognised in the period to which they belong.

19) Taxation

Corporate income tax comprises the current and deferred corporate income tax payable and deductible for the reporting period. Corporate income tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity, or to business combinations.

Current tax comprises the expected tax payable or recoverable on the taxable profit or loss for the financial year, calculated using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

If the carrying amount of assets and liabilities for financial reporting purposes differ from their values for tax purposes (tax base), this results in temporary differences.

For taxable temporary differences, a provision for deferred tax liabilities is recognised.

For deductible temporary differences, available tax losses and unused tax credits, a deferred tax asset is recognised, but only to the extent that it is probable that future taxable profits will be available for set-off or compensation. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and deferred tax liabilities are offset in the balance sheet if the company has a legally enforceable right to offset current tax assets against current tax liabilities, insofar as they relate to the same financial year and deferred tax assets relate to income taxes levied by the same tax authority on the same taxable Company, or the same fiscal unity.

The measurement of deferred tax liabilities and deferred tax assets is based on the tax consequences following from the manner in which the Company expects, at the balance sheet date, to realise or settle its assets, provisions, debts and accrued liabilities. Deferred tax assets and liabilities are measured at nominal value.

The company has assessed the expected impact of the Pillar 2 - global minimum top-up tax and notes that the separate financial statements are not impacted due to the local effective tax rate that is higher than 15 percent and the entity has not paid any pillar 2 top-up tax on behalf of other entities in the group. Also, no pillar 2 top-up tax has been recharged to the entity.

20) Provisions and Contingent liabilities

A provision is recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

If all or part of the payments that are necessary to settle a provision are likely to be fully or partially compensated by a third party upon settlement of the provision, then the compensation amount is presented separately as an asset.

Provisions are measured at the nominal value of the best estimate of the expenditures that are expected to be required to settle the liabilities and losses.

21) Notes to offsetting

Assets and 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.

22) Notes to the statement of cash flows

The Company applies the indirect method. The statement of cash flows is derived from the profit and loss account and other changes between the opening and closing balance sheets, eliminating the effect of currency translation differences.

Cash flows in foreign currency are translated into euros using the weighted average exchange rate for the reporting period/the exchange rate at the dates of the transactions.

Receipts and payments of interest and income taxes are presented within the cash flows from operating activities.

23) Determination of fair value

The fair value of a financial instrument is the amount for which an asset can be sold or a liability settled, involving parties who are well informed regarding the matter, willing to enter into a transaction and are independent from each other.

The fair value of non-listed financial instruments is determined by discounting the expected cash flows to their present value, applying a discount rate that is equal to the current risk-free market interest rate for the remaining term, plus credit and liquidity surcharges.

24) Transactions with related parties

Transactions with related parties are assumed when a relationship exists between the Company and a natural person or entity that is affiliated with the Company. This includes, amongst others, the relationship between the Company and its subsidiaries, shareholders, directors and key management personnel.

There have been no transactions with related parties that have not been carried on normal market terms.

25) Subsequent events

Events that provide further information on the actual situation at the balance sheet date and that appear before the financial statements are being prepared, are recognised in the financial statements.

Events that provide no information on the actual situation at the balance sheet date are not recognised in the financial statements. When those events are relevant for the economic decisions of users of the financial statements, the nature and the estimated financial effects of the events are disclosed in the financial statements.

26) Acquisition of business related to certain assets (CSS) of Communications Technology Group (CTG) from Hewlett Packard Enterprise (HPE)

On 23 May 2024, HCL Group signed a definitive agreement to carve-out and acquire business related to certain intellectual property rights (IPs), customer relationships with global Communication Service Providers (CSPs) along with Engineering and R&D talent of Communications Technology Group (CTG) from HPE. The acquisition got consummated, post-regulatory approvals on 1 December 2024. The acquisition will enable HCL Group to gain a portfolio of service offerings that includes industry-leading IPs, solutions and systems integration around Business Support Systems (BSS), network applications, service cloudification and data intelligence.

Out of the overall deal purchase price of \$ 210Mn, the company had paid the purchase price of EUR 58,446. HCL Group is in the process of making a final determination of the purchase price and fair value of assets and liabilities acquired. Finalization of such determination may result in certain adjustments to the above allocation.

Notes to the balance sheet as at 31 December, 2024

Fixed assets (1)

a) Intangible fixed assets

	<u>31 December, 2024</u>	<u>31 March, 2024</u>
Software license	255	2,315
Customer Relationship	377,559	336,376
Goodwill	555,167	530,536
	<u>932,981</u>	<u>869,227</u>

Movements in these items were as follows:

	Software license	Customer relationship	Goodwill
Balance as at 01 April, 2024			
Purchase price	195,592	881,209	1,010,544
Accumulated amortisation and impairment	(193,277)	(544,833)	(480,008)
Carrying amount	<u>2,315</u>	<u>336,376</u>	<u>530,536</u>
Changes in carrying amount			
Investments/(Retirement)	-	-	-
Amortization Retirement	-	107,884	126,741
Amortization	(2,060)	(66,701)	(102,110)
Balance	<u>(2,060)</u>	<u>41,183</u>	<u>24,631</u>
Balance as at 31 December, 2024			
Purchase price	195,592	989,093	1,137,285
Accumulated amortisation and impairment	(195,337)	(611,534)	(582,118)
Carrying amount	<u>255</u>	<u>377,559</u>	<u>555,167</u>

b) Tangible fixed assets

	<u>31 December, 2024</u>	<u>31 March, 2024</u>
Machinery and equipment	713,884	808,809
	<u>713,884</u>	<u>808,809</u>

Movements in these items were as follows:

	Machinery and Equipment
Balance as at 01 April, 2024	
Purchase price	3,253,328
Accumulated depreciation and impairment	(2,444,519)
Carrying amount	808,809
Changes in carrying amount	
Investments	167,551
Retirement	(2,836)
Depreciation retirement	2,026
Loss on sale of asset	522
Depreciation	(262,188)
Balance	(94,925)
Balance as at 31 December, 2024	
Purchase price	3,418,564
Accumulated depreciation and impairment	(2,704,680)
Carrying amount	713,884

Financial fixed assets (2)

	31 December, 2024	31 March, 2024
Deferred cost	734,644	1,384,629
Finance lease receivables	464,275	753,685
Prepaid expenses	1,696,109	612,441
Unbilled revenue	2,782,331	678,511
Deferred tax assets	-	157,681
Security deposits	128,556	46,767
Fixed deposits	3,664,872	-
ESOP Compensation	268,008	271,156
	9,738,795	3,904,870

The company has invested in fixed deposit amounting to EUR 3.6 million during the period ended 31 December, 2024 which will mature on 17 March, 2026.

Finance Lease: In case of assets given on lease

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

	Total minimum lease payments receivable	Interest included in minimum lease payments receivable	Present value of minimum lease payment receivable
As on 31 Dec, 2024			
Not later than one year	1,121,904	31,732	1,090,172
Later than one year and not later than 5 years	494,365	30,090	464,275
	1,616,269	61,822	1,554,447

As on 31 March, 2024			
Not later than one year	783,487	29,809	753,678
Later than one year and not later than 5 years	787,634	33,949	753,685
	1,571,121	63,758	1,507,363

Inventory (3)

	31 December, 2024	31 March, 2024
Finished products and goods for resale	49,046	-
	49,046	-

Finished products and goods for resale

	31 December, 2024	31 March, 2024
Cost of acquisition of goods available for resale	53,668	219,928
Less :- Provision for obsolescence	(4,622)	(219,928)
	49,046	-

Trade Receivables & Other Receivables (4)

	31 December, 2024	31 March, 2024
Trade receivables	24,164,403	34,812,784
Amount receivables from group companies	8,818,347	7,137,324
Other amounts receivable	23,586,048	23,581,362
	56,568,798	65,531,470

Trade receivables include receivables of € 75,668 (2023/24: € 77,851) which are due for more than 365 days and all other receivables have an estimated maturity shorter than one year. Amount receivable from group companies is interest free.

Trade receivables

	31 December, 2024	31 March, 2024
Amortized cost of outstanding receivables	24,240,071	34,890,635
Less :- Allowance for doubtful debts	(75,668)	(77,851)
	24,164,403	34,812,784

Other receivables

	31 December, 2024	31 March, 2024
Unbilled revenue – Group Companies	6,186,424	1,337,376
Unbilled revenue	8,649,240	10,717,746
Employee receivables	256,437	60,714
Advance to supplier	90,081	148,225
Deferred cost – Group Companies	3,292,019	7,117,238
Prepaid expenses	3,173,280	2,479,715
Deposits	29,214	93,851
Finance lease receivable	1,090,172	753,678
Other current assets	374,115	354,807
Deferred cost	257,989	187,845
Advance taxes	187,077	330,167
	23,586,048	23,581,362

Cash and cash equivalent (5)

	31 December, 2024	31 March, 2024
Cash at bank	23,320,477	7,402,123
	23,320,477	7,402,123

All the cash is readily available for use by the company.

Shareholder's equity (6)

	Share Capital paid up and called up	Other Reserves	Undistributed Reserve	Total
Balance at 01 April, 2023	100,000	11,334,412	1,525,435	12,959,847
Appropriation of results	-	1,525,435	(1,525,435)	-
Result for the year 2023-24	-	-	6,942,277	6,942,277
Interim dividend Paid during the year	-	-	-	-
Balance at 31 March, 2024	100,000	12,859,847	6,942,277	19,902,124
Balance at 01 April, 2024	100,000	12,859,847	6,942,277	19,902,124
Appropriation of results	-	6,942,277	(6,942,277)	-
Result for the 9 months period 2024	-	-	5,718,323	5,718,323
Interim dividend Paid during the period	-	-	(3,300,000)	(3,300,000)
Share Based Payments	-	-	(194,168)	(194,168)
Balance at 31 December, 2024	100,000	19,802,124	2,224,155	22,126,279

Appropriation of profit of the 9 month period 1 April 2024 to 31 December 2024

The financial statements for the financial period 2024 will be adopted in the General Meeting. The Board of Management proposed to the General Meeting to appropriate the result for the period after deduction of interim -dividend for financial period 2024 by adding the remaining amount of result to other reserves .

In the current financial period, the Company has paid a total dividend of EUR 3,300,000 to its shareholder HCL Technologies UK Ltd.

Appropriation of profit of FY 2023-24

The financial statements for the financial year 2023-2024 was adopted by the General Meeting. The Board of Management proposes to the General Meeting to appropriate the result for the year financial year 2024 by adding the amount of result (EUR 6,942,277) to other reserves as there is no interim dividend paid during the year.

Issued share capital

The issued share capital amounts to EUR 100,000 comprises of 1,000 ordinary shares for a nominal amount per share of EUR 100. During this year, issued capital was not subject to any change.

Provisions (7)

	<u>31 December, 2024</u>	<u>31 March, 2024</u>
Provision	3,603,844	2,025,104
	<u>3,603,844</u>	<u>2,025,104</u>

Movements in provisions were as follows:

	Provisions
Balance at 1 April, 2023	3,310,302
Addition during the year	2,025,104
Used during the year	(3,310,302)
Balance at 31 March, 2024	<u>2,025,104</u>
Balance at 1 April, 2024	2,025,104
Addition during the period	3,603,844
Used during the period	(2,025,104)
Balance at 31 Dec, 2024	<u>3,603,844</u>

The balance of provisions as appearing on 31st Dec, 2024 consist of provision of several natures but mainly consist of Provision for Other Direct cost and Provision for Customer Discount, Travel Provisions.

Non Current liabilities (8)

	<u>31 December, 2024</u>	<u>31 March, 2024</u>
Deferred Revenue	1,874,758	941,854
Financial Liability	133,817	55,618
Capital lease obligation	1,734,325	36,994
Accrued Bonus	264,235	3,867
Deferred Tax Liabilities	3,214	-
	<u>4,010,349</u>	<u>1,038,333</u>

Current liabilities (9)

	<u>31 December, 2024</u>	<u>31 March, 2024</u>
Trade creditors/suppliers	3,951,460	1,118,315
Amounts payable to group companies	5,697,612	10,237,458
Taxes and social security contributions	6,885,999	7,300,948
Other and accrued liabilities	45,048,438	36,894,217
	<u>61,583,509</u>	<u>55,550,938</u>

All accounts payable to suppliers and trade creditors are due within one year. All other current liabilities have an estimated maturity shorter than one year. All the amount payable to group companies is interest free.

The carrying values of the recognised current liabilities approximate their respective fair values, given the short maturities of the positions.

The taxes and social security charges payable recognised in the balance sheet can be broken down as follows:

	<u>31 December, 2024</u>	<u>31 March, 2024</u>
VAT payable	4,206,689	4,895,493
Payroll tax	2,192,072	2,001,828
Social security contribution	468,176	430,182
Pension payable	19,062	(26,555)
	<u>6,885,999</u>	<u>7,300,948</u>

The other and accrued liabilities recognised in the balance sheet can be broken down as follows

	<u>31 December, 2024</u>	<u>31 March, 2024</u>
Accrued employee cost and vacation	4,648,242	4,164,960
Accrued bonus	4,632,767	4,160,561
Deferred revenue	9,087,800	8,214,498
Advance received from customer	34,482	678,645
Financial Liability	233,556	67,170
Accrued liabilities - Group companies	24,675,710	18,007,636
Other Current Liabilities	1,204,848	1,564,207
Capital Lease Obligation	531,033	36,540
	<u>45,048,438</u>	<u>36,894,217</u>

Notes to the Profit and loss account

Net turnover (10)

	For the period ended 31 December, 2024		
	Third Parties	Inter-Company	Total
Standard software services	152,502,925	30,863,612	183,366,537
Sale of goods	4,140,080	-	4,140,080
	156,643,005	30,863,612	187,506,617

	For the financial year ended 31 March, 2024		
	Third Parties	Inter-Company	Total
Standard software services	189,113,350	28,389,622	217,502,972
Sale of goods	1,418,732	-	1,418,732
	190,532,082	28,389,622	218,921,704

Details of inter-company revenue is as below:-

<u>Inter-company revenue</u>	<u>For the period ended 31 December, 2024</u>	<u>For the financial year ended 31 March, 2024</u>
Ultimate Holding Company	2,714,700	4,811,504
Holding Company	1,464,446	3,558,101
Fellow subsidiaries	<u>26,684,466</u>	<u>20,020,017</u>
	<u>30,863,612</u>	<u>28,389,622</u>

All the inter-company revenue is carried at arm's length principle.

Geographical wise revenue for the period ended 31 December, 2024 is as below:

<u>Geography</u>	<u>For the period ended 31 December, 2024</u>	<u>For the financial year ended 31 March, 2024</u>
America	1,195,887	2,909,383
Europe	181,418,610	210,263,762
India	2,387,326	4,130,361
Others	<u>2,504,794</u>	<u>1,618,198</u>
	<u>187,506,617</u>	<u>218,921,704</u>

Cost of outsourced services and other external costs (11)

	<u>For the period ended 31 December, 2024</u>	<u>For the financial year ended 31 March, 2024</u>
Consulting charges group	94,285,625	118,432,951
Consulting charges Others	<u>9,910,884</u>	<u>8,439,887</u>
	<u>104,196,509</u>	<u>126,872,838</u>

Wages and salaries (12)

	<u>For the period</u> <u>ended</u> <u>31 December, 2024</u>	<u>For the financial</u> <u>year ended</u> <u>31 March, 2024</u>
Wages & salary	51,512,120	58,552,262
Bonus	5,731,298	6,206,330
	<u>57,243,418</u>	<u>64,758,592</u>

Social Security and pension charges (13)

	<u>For the period</u> <u>ended</u> <u>31 December, 2024</u>	<u>For the financial</u> <u>year ended</u> <u>31 March, 2024</u>
Pension costs	2,080,933	1,723,874
Social Security charges	4,837,409	5,281,847
Other benefits	1,745,516	2,328,123
Staff welfare	81,909	573,130
	<u>8,745,767</u>	<u>9,906,974</u>

Other operating expenses (14)

	<u>For the period</u> <u>ended</u> <u>31 December, 2024</u>	<u>For the financial</u> <u>year ended</u> <u>31 March, 2024</u>
Travel cost	1,907,545	2,092,458
Establishment & maintenance	668,935	664,114
Communication	312,202	303,293
Provision for Bad Debts	(2,183)	(160,383)
Bad Debts Written off	(78,308)	(109,548)
Marketing Cost	667,144	670,863
Other expenses	1,870,327	2,066,743
	<u>5,345,662</u>	<u>5,527,540</u>

The other expenses recognised in the statement of Profit & loss can be broken down as follows:

	<u>For the period</u> <u>ended</u> <u>31 December, 2024</u>	<u>For the financial</u> <u>year ended</u> <u>31 March, 2024</u>
Legal & professional costs	755,030	916,045
Audit Fee	68,725	63,061
Recruitment fees	74,981	139,346
ESOP Expenses	214,949	509,450
Miscellaneous expenses	756,642	438,841
	<u>1,870,327</u>	<u>2,066,743</u>

Interest income and similar Income (15 A)

	<u>For the period</u> <u>ended</u> <u>31 December, 2024</u>	<u>For the financial</u> <u>year ended</u> <u>31 March, 2024</u>
Interest income on current accounts	223,793	57,994
Interest on customer receivables	83,462	38,414
	<u>307,255</u>	<u>96,408</u>

Interest expense & similar charges (15 B)

	<u>For the period</u> <u>ended</u> <u>31 December, 2024</u>	<u>For the financial</u> <u>year ended</u> <u>31 March, 2024</u>
Interest expenses related to bank	2	1,864
Bank charges	9,567	13,457
Exchange Difference	215,320	90,455
Other Expenses	458,418	169,300
	<u>683,307</u>	<u>275,076</u>

Income taxes (16)

The tax charge in the profit and loss account can be broken down as follows:

	<u>For the period</u> <u>ended</u> <u>31 December, 2024</u>	<u>For the financial</u> <u>year ended</u> <u>31 March, 2024</u>
Result before tax	7,971,420	9,729,746
Income tax using the applicable tax rate in the Netherlands	2,042,333	2,497,928
Tax effect of:		
· Rate change	(806)	(2,160)
· Non-deductible expenses	58,970	69,065
Recognition of previously not recognised tax losses		
Adjustment for prior periods	(11,614)	(10,965)
Others	164,214	233,601
	<u>2,253,097</u>	<u>2,787,469</u>

The effective tax rate for the financial period is 28.26% (2023/24: 28.65%)

The Company is subject to corporate income tax in the Netherlands of which the maximum progressive rate is 25.8% and the first € 200.000 is taxed at a rate of 19.0% (2023: maximum progressive rate of 25.8% and the first €200.000 was taxed at a rate of 19.0%). The rate was for 2023 and this remains unchanged in 2024.

Workforce (17)

The number of staff employed by the company in 2024 was 879 (2023/24: 776) comprises of 737 men and 142 women and all employees are located in the Netherlands.

Employee Benefit Plan (18)

The Ultimate Parent Company, HCL Technologies Limited, has issued ESOP to some of the employees of HCL Tehnologies BV. Related expenses are however recharged to the Company and the current period amount included in the profit and loss

statement is EUR 214,949.

In Netherland employee and employer contribute towards the pensions depending upon the age and the salary of the employee. This scheme is known as defined contribution scheme. A defined contribution scheme means that HCL makes a pension premium available which depends on employee salary and age. Since every inhabitant of the Netherlands is entitled to a state old-age pension, the so-called "AOW", this must be taken into account in relation to pension accrual with HCL. This is done by deducting the AOW offset from the pensionable salary.

Remuneration to Board (19)

There is no remuneration paid to Board because members are assigned to another Group entity.

Equity interests (20) (Ultimate) Parent company

HCL Technologies Limited, is the ultimate parent company of HCL Technologies B.V. and includes the financial data of HCL Technologies B.V. in its consolidated financial statements.

Related party transaction (21)

- a) Related party where control exists

Holding Company

HCL Technologies UK Limited

Ultimate Holding Company

HCL Technologies Limited, India

- b) Related party where transactions have taken place during the year

Holding Company

HCL Technologies UK Limited

Ultimate Holding Company

HCL Technologies Limited, India

Fellow Subsidiaries

HCL America Inc.	HCL Technologies Denmark ApS
HCL Technologies Lanka (Private) Limited	HCL Technologies (Shanghai) Limited
HCL Guatemala, Sociedad Anónima	HCL Singapore Pte. Limited
HCL Technologies Philippines, Inc	HCL Technologies Vietnam Company Limited
HCL Technologies (PTY) Limited	HCL Technologies Norway AS
HCL Poland sp. z o.o	HCL Axon Solutions (Shanghai) Co., Limited
HCL Technologies Limited- Swiss Branch	HCL Technologies Limited- Finland Branch
HCL Canada Inc.-SD	Axon Solutions (Shanghai) Co. Limited
HCL Technologies Limited - Portugal Branch	Teleryx Marketing Inc.
HCL Technologies Romania s.r.l.	
HCL Technologies Germany GmbH	HCL Technologies Finland Oy
HCL Technologies Belgium BVBA	HCL Asia Pacific Pte Limited-Korea Branch
HCL Technologies Sweden AB	HCL Technologies Limited- Ireland Branch
HCL Technologies Austria GmbH	HCL Latin America Holding, LLC, Costa Rica Branch
HCL Technologies France SAS	HCL Japan Limited
HCL Technologies Limited- UAE Branch	HCL Hungary kft
HCL Hong Kong SAR Limited	HCL Technologies Limited- Israel Branch
HCL America Inc. (Axon)	HCL Technologies Limited Abu Dhabi
HCL Technologies Czech Republic S.R.O.	HCL Axon Solutions (Shanghai) Co. Ltd.
HCL Australia Services Pty. Limited	HCL Technologies Slovakia
HCL Technologies Costa Rica S.R.L.	HCL Technologies Solutions GmbH

HCL Technologies Chile SPA
HCL Technologies Malaysia SDN BHD
HCL (Ireland) Information Systems Limited
HCL Technologies Sweden (IOMC)
HCL Technologies (Thailand) Limited
HCL (New Zealand) Limited
HCL Technologies Beijing Co. Limited
HCL Technologies Italy S.p.A.
Filial Espanola De HCL Technologies S.L.
HCL Mexico S. de R.L.
HCL (Brazil) Tecnologia Da Informacao EIRELI

HCL Technologies Corporate Services Limited
HCL Technologies (Taiwan) Limited
HCL Technologies Limited. Ogranizacni slozka(Czech Branch)
HCL Technologies Columbia S.A.S.
HCL Latin America Holding, LLC, Panama Branch
HCL Technologies Limited - Russia Branch
HCL Technologies Bulgaria EOOD
HCL Technologies Middle East FZ-LLC
HCL Argentina s.a.
HCL Istanbul Bilisim Teknolojileri Limited sirketi
HCL Technologies Greece Single Member P.C.

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

	Ultimate Holding company		Holding company		Fellow subsidiaries	
	Period ended		Period ended		Period ended	
	31 Dec 2024	31 March 2024	31 Dec 2024	31 March 2024	31 Dec 2024	31 March 2024
Revenue	2,714,700	4,811,504	1,464,446	3,558,101	26,684,466	20,020,017
Consulting charges	45,835,982	79,017,106	609,703	5,612,912	47,839,940	33,802,933
Insurance Cost	53,636	80,187	-	-	-	-
Marketing Cost	-	-	-	-	-	-

d) Outstanding balances of related parties as at 31 December, 2024 and 31 March, 2024

	Ultimate Holding company		Holding company		Fellow subsidiaries	
	Period ended		Period ended		Period ended	
	31 Dec 2024	31 March 2024	31 Dec 2024	31 March 2024	31 Dec 2024	31 March 2024
Amount receivables from group companies	338,211	984,727	336,707	348,962	8,143,429	5,803,635
Deferred cost – group companies	3,292,019	7,117,238	-	-	-	-
Unbilled revenue – group Companies	254,382	693,837	81,166	558,824	5,850,876	84,715
Prepaid expenses – group companies	-	615	-	-	-	-
Amounts payable to group companies	3,288,592	1,457,865	108,462	1,116,567	2,048,791	6,613,549
Interest payable – group companies	-	-	-	-	-	-
ESOP-group	251,766	1,049,476	-	-	-	-
Accrued liabilities – Group companies	8,653,406	13,622,243	49,764	-	15,972,540	4,968,761

Audit fees (22)

The costs of the Company for the external auditor, the audit organisation and the entire network to which the audit organisation belongs charged to the financial year are set out below. The fees mentioned in the table for the audit of the financial statements relate to the total fees for the audit of the financial statements, irrespective of whether the activities have been performed during the financial period.

	KPMG Accountants N.V. 31 December, 2024	Other KPMG Network 31 Dec, 2024	Total KPMG 31 Dec, 2024
Audit of Financial statements	68,725	-	68,725
Tax- related advisory services	-	-	-
Other Non- Audit services	-	-	-
Total	68,725	-	68,725

	KPMG Accountants N.V. 31 Mar ,2024	Other KPMG Network 31 Mar, 2024	Total KPMG 31 Mar, 2024
Audit of Financial statements	63,061	-	63,061
Tax- related advisory services	-	-	-
Other Non- Audit services	-	-	-
Total	63,061	-	63,061

Financial instruments (23)

General

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 does not use derivatives financial instruments nor trade in financial instruments.

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.

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 non-performance by counterparties.

	31 December, 2024	31 March,2024
Balance at the beginning of the year	77,851	238,234
Addition during the period	<u>(2,183)</u>	<u>(160,383)</u>
Balance at the end of the period	<u>75,668</u>	<u>77,851</u>

Interest rate risk and cash flow risk

The interest rate risk is limited as the Company has no external financing.

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 currencies other than functional currency. An insignificant portion of the Company's revenue is in other foreign currency while a large proportion of costs are in EUR. The fluctuation in exchange rates in respect to EUR may not have potential impact on the statement of profit and loss and equity.

Appreciation / depreciation of 1% in respective foreign currencies with respect to functional currency of the Company would result in decrease / increase in the Company's profit before tax by approximately € 54,069 for the period ended 31 December, 2024.

The rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 1% against the respective functional currencies of the Company and its branches. The sensitivity analysis presented above may not be representative of the actual change.

Non-derivative foreign currency exposure as of 31 December, 2024 and 31 March, 2024 in major currencies is as below:

	Net financial assets		Net financial liabilities	
	31 Dec, 2024	31 March, 2024	31 Dec, 2024	31 March, 2024
EUR/GBP	-	-	2,881	4,032
EUR/USD	20,249	9,978	64,741	24,393
EUR/SEK	-	43	-	729
EUR/INR	47	15	2,546	10,591
EUR/RON	-	-	-	12,662
Total	20,296	10,036	70,168	52,407

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.

Fair value

The fair value of financial instruments recognised on the balance sheet can be specified as follows:

	31 December, 2024		31 March, 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Finance lease receivables	1,554,447	1,554,447	1,507,364	1,507,364
Trade receivables	24,164,403	24,164,403	34,812,784	34,812,784
Amount receivables from group companies	8,818,347	8,818,347	7,137,324	7,137,324
Unbilled revenue group companies	6,186,424	6,186,424	1,337,376	1,337,376
Unbilled revenue	11,431,571	11,431,571	11,396,256	11,396,256
Deposits and advance to suppliers	247,851	247,851	288,843	288,843
Cash at bank	23,320,477	23,320,477	7,402,123	7,402,123
Fixed Deposits	3,664,872	3,664,872	-	-
Total	79,388,392	79,388,392	63,882,070	63,882,070

Financial liabilities

Trade creditors/suppliers	3,951,460	3,951,460	1,118,315	1,118,315
Amounts payable to group companies	5,697,612	5,697,612	10,237,458	10,237,458
Other and accrued liabilities	45,048,438	45,048,438	36,894,217	36,894,217
Total	54,697,510	54,697,510	48,249,990	48,249,990

Off-balance sheet assets and liabilities (24)**Long term financial commitments**

Long-term unconditional commitments have been entered into in respect of long-term leases and operating leases (including office premises and motor vehicles).

The operating leasing costs are recognised on a straight-line basis in the profit and loss account over the lease period. The remaining term can be specified as follows:

Particulars	31 December, 2024	31 March, 2024
No more than 1 year	333,334	210,658
Between 1 and 5 years	634,631	397,608
Longer than 5 years	-	-
Total	967,965	608,266

Lease payments that have been recognized as an expense during current period of 9 months, amount to € 371,066 (2023-24 : € 414,782)

Other commitments not shown in the balance sheet

No guarantees have been issued by the Company for members of the Board of Managing Directors, its group companies or subsidiaries.

All commitments to related parties are included in the balance sheet.

Subsequent Events (25)

The Company has evaluated all the subsequent events through 3rd June, 2025, which is the date on which these financial statements were issued.

The Board of Managing Directors


Bejoy Joseph George


Shiv Kumar Walla


Goutam Rungta

Date: 3rd June, 2025
Place: S- Gravenhage

6 Other information

Articles of Association provisions governing profit appropriation

In accordance with the Company's Articles of Association the result is at the disposal of the Shareholder's meeting. The Company can only distribute profits to its' shareholder and other entitled entities, as far as Shareholder's equity exceeds the total of the issued and paid-up share capital together with the statutory and legal reserves. The proposal is to add current period's results to the retained earnings and this is already processed as such in the financial statements.

Independent Auditor's report

The independent auditor's report with respect to the financial statements is set out on the following page.