

Independent Auditor's Report

To the Members of HCL Training & Staffing Services Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of HCL Training & Staffing Services Private Limited (the "Company") which comprise the balance sheet as at 31 March 2025, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's directors' report, but does not include the financial statements and auditor's report(s) thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for

Independent Auditor's Report (Continued)

HCL Training & Staffing Services Private Limited

safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Independent Auditor's Report (Continued)
HCL Training & Staffing Services Private Limited

safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on 30 June 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a. The Company does not have any pending litigations which would impact its financial position.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d (i) The management has represented that, to the best of their knowledge and belief, other than as disclosed in the Note 2.33 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (ii) The management has represented that, to the best of their knowledge and belief, other than as disclosed in the Note 2.33 to the financial statements, no funds have been received by the

Independent Auditor's Report (Continued)

HCL Training & Staffing Services Private Limited

Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Company has neither declared nor paid any dividend during the year.

f. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility except that the audit trail has been enabled at the database level to log any direct data changes from 1 June 2024 onwards. Except for the period from 1 April 2024 to 31 May 2024 at database level, the audit trail facility has been operating throughout the period for all relevant transactions recorded in the software and we did not come across any instance of audit trail feature being tampered with during the course of our audit. Additionally, where audit trail (edit log) facility was enabled in the previous year, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the Company is not a public company. Accordingly, the provisions of Section 197 of the Act are not applicable to the Company. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

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Rakesh Dewan

Partner

Place: Gurugram

Date: 01 July 2025

Membership No.: 092212

ICAI UDIN:25092212BMMJGH4412

Annexure A to the Independent Auditor's Report on the Financial Statements of HCL Training & Staffing Services Private Limited for the year ended 31 March 2025

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 3 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies/discrepancy were/was noticed on such verification.
- (c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company is a service company, primarily rendering services for setting up, establishing, maintaining, managing and running technical institutions and training centers.. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.
- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has not provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity.
- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investment made during the year are, prima facie, not prejudicial to the interest of the Company. Further, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loan to any party during the year.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, company has not given any loans and advances in the nature of loans hence reporting under this clause is not applicable.

Annexure A to the Independent Auditor’s Report on the Financial Statements of HCL Training & Staffing Services Private Limited for the year ended 31 March 2025 (Continued)

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, company has not given any loans and advances in the nature of loans hence reporting under this clause is not applicable.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 (“the Act”) are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2025 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (Rs. in Thousands)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income Tax Act,	Income Tax	2,784	Financial Year 2016-17	Commissioner of Income Tax (Appeals)	Total amount deposited under protest in respect of Income Tax is INR 2,784

Annexure A to the Independent Auditor’s Report on the Financial Statements of HCL Training & Staffing Services Private Limited for the year ended 31 March 2025 (Continued)

Name of the statute	Nature of the dues	Amount (Rs. in Thousands)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
1961					thousands.

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, the Company has not obtained any term loans. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2025. Accordingly, clause 3(ix)(e) is not applicable.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) Based on the information and explanations provided to us, the Company does not have a vigil mechanism and is not required to have a vigil mechanism as per the Act or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

Annexure A to the Independent Auditor's Report on the Financial Statements of HCL Training & Staffing Services Private Limited for the year ended 31 March 2025 (Continued)

- (xiii) The Company is a private limited company and accordingly the requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion and based on the information and explanations provided to us, the Company does not have an Internal Audit system and is not required to have an internal audit system as per Section 138 of the Act.
- (b) In our opinion and based on the information and explanations provided to us, the Company does not have an internal audit system and is not required to have an internal audit system as per Section 138 of the Act. Accordingly, clause 3(xiv)(b) of the Order is not applicable.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the

B S R & Co. LLP

Annexure A to the Independent Auditor's Report on the Financial Statements of HCL Training & Staffing Services Private Limited for the year ended 31 March 2025 (Continued)

Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

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Rakesh Dewan

Partner

Place: Gurugram

Date: 01 July 2025

Membership No.: 092212

ICAI UDIN:25092212BMMJGH4412

B S R & Co. LLP

**Annexure A to the Independent Auditor's Report on the Financial Statements
of HCL Training & Staffing Services Private Limited for the year ended 31
March 2025 (Continued)**

Annexure

Annexure B to the Independent Auditor's Report on the financial statements of HCL Training & Staffing Services Private Limited for the year ended 31 March 2025

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(_) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of HCL Training & Staffing Services Private Limited ("the Company") as of 31 March 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2025, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to

Annexure B to the Independent Auditor's Report on the financial statements of HCL Training & Staffing Services Private Limited for the year ended 31 March 2025 (Continued)

provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

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Rakesh Dewan

Partner

Place: Gurugram

Date: 01 July 2025

Membership No.: 092212

ICAI UDIN:25092212BMMJGH4412

HCL Training & Staffing Services Private Limited

Financial Statements

For the year ended 31 March 2025 and 2024

HCL Training & Staffing Services Private Limited

Balance Sheet

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

	Note No.	As at 31 March 2025	As at 31 March 2024
I. ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	2.1	39,988	85,622
(b) Other intangible assets	2.2	4	21
(c) Deferred tax assets(net)	2.22	163,996	176,994
(d) Other non-current assets	2.4	3	8
Total non-current assets		203,991	262,645
(2) Current assets			
(a) Financial assets			
(i) Investments	2.5	11,551	75,285
(ii) Trade receivables	2.6		
Billed		123,139	501
Unbilled		70,726	73,355
(iii) Cash and cash equivalents	2.7	6,877	2,645
(iv) Others	2.3	1,536	2,827
(b) Current tax asset (net)		6,244	7,043
(c) Other current assets	2.8	5,328	8,536
Total current assets		225,401	170,192
TOTAL ASSETS		429,392	432,837
II. EQUITY			
(a) Equity share capital	2.9	17,513	17,513
(b) Other equity		(503,838)	(547,630)
TOTAL EQUITY		(486,325)	(530,117)
III. LIABILITIES			
(1) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	2.10	-	25
(b) Provisions	2.12	3,781	3,439
(c) Other non-current liabilities	2.13	-	177
Total non-current liabilities		3,781	3,641
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	2.10	446,500	449,165
(ii) Trade payables	2.14		
Billed			
1. Dues of micro enterprises and small enterprises		98	1,159
2. Dues of creditors other than micro enterprises and		391,214	409,026
Unbilled and accruals		20,003	15,791
(iii) Others	2.11	20,779	50,894
(b) Contract liabilities	2.15	24,630	27,733
(c) Other current liabilities	2.16	7,410	4,498
(d) Provisions	2.12	1,302	1,047
Total current liabilities		911,936	959,313
TOTAL LIABILITIES		915,717	962,955
TOTAL EQUITY AND LIABILITIES		429,392	432,837
Material accounting policies	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022

RAKESH DEWAN

Rakesh Dewan
Partner

Membership Number: 092212

Place: Gurugram, India

Date: 1 July 2025

For and on behalf of the Board of Directors

of HCL Training & Staffing Services Private Limited

SHIV KUMAR WALIA

Shiv Walia
Director

DIN - 09492224

Place: Noida (UP), India

Date: 1 July 2025

GOUTAM RUNGTA

Goutam Rungta
Director

DIN - 08599656

Place: Noida (UP), India

Date: 1 July 2025

HCL Training & Staffing Services Private Limited
Statement of Profit and Loss

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

	Note No.	Year ended 31 March 2025	Year ended 31 March 2024
I Revenue			
Revenue from operations	2.17	345,140	395,078
Other income	2.18	5,102	9,994
Total income		350,242	405,072
II Expenses			
Employee benefits expense	2.19	105,674	115,093
Outsourcing costs		30,524	33,023
Finance costs	2.20	38,426	37,588
Depreciation and amortization expense		45,331	72,337
Other expenses	2.21	73,414	102,983
Total expenses		293,369	361,024
III Profit/(Loss) before tax		56,873	44,048
IV Tax expense	2.22		
Deferred tax credit/(charge)		12,992	33,587
Total tax expense		12,992	33,587
V Profit/(Loss) for the year		43,881	10,461
VI Other comprehensive income			
i) Items that will not be reclassified to statement of profit and loss		24	(389)
ii) Income tax on items that will not be reclassified to statement of profit and loss		(6)	98
VII Total other comprehensive (loss)/income, net of tax		18	(291)
VIII Total comprehensive (loss)/income for the year		43,899	10,170
(Loss)/Earnings per equity share of ₹ 10 each	2.29		
Basic (in ₹)		25.06	5.97
Diluted (in ₹)		25.06	5.97

Material accounting policies

1

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022

RAKESH DEWAN
 Digitally signed by RAKESH DEWAN
 Date: 2025.07.01 22:48:17 +05'30'

Rakesh Dewan
Partner
 Membership Number: 092212

Place: Gurugram, India
 Date: 1 July 2025

For and on behalf of the Board of Directors
of HCL Training & Staffing Services Private Limited

SHIV KUMAR WALIA
 Digitally signed by SHIV KUMAR WALIA
 Date: 2025.07.01 21:38:03 +05'30'

Shiv Walia
 Director
 DIN - 09492224

Place: Noida (UP), India
 Date: 1 July 2025

GOUTAM RUNGTA
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 Date: 2025.07.01 17:37:34 +05'30'

Goutam Rungta
 Director
 DIN - 08599656

Place: Noida (UP), India
 Date: 1 July 2025

HCL Training & Staffing Services Private Limited**Statement of Changes in Equity**

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

HCL Training & Staffing Services Private Limited

	Equity share capital		Other equity		Total equity
	Number of Shares	Share capital	Reserves and Surplus		
			Retained earnings	Other equity	
Balance as at 1 April 2023	1,751,301	17,513	(557,800)	-	(540,287)
Profit for the year	-	-	10,461	-	10,461
Other comprehensive loss	-	-	(291)	-	(291)
Total comprehensive income for the year	-	-	10,170	-	10,170
Balance as at 31 March 2024	1,751,301	17,513	(547,630)	-	(530,117)
Balance as at 1 April 2024	1,751,301	17,513	(547,630)	-	(530,117)
Profit for the year	-	-	43,881	-	43,881
Other comprehensive income	-	-	18	-	18
Share based payment to employee	-	-	-	(107)	(107)
Total comprehensive income for the year	-	-	43,899	(107)	43,792
Balance as at 31 March 2025	1,751,301	17,513	(503,731)	(107)	(486,325)

Refer note 1 for material accounting policies

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For B S R & Co. LLP**Chartered Accountants**

ICAI Firm Registration Number: 101248W/W-100022

RAKESH
DEWAN

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RAKESH DEWAN
Date: 2025.07.01 22:48:42
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Rakesh Dewan**Partner**

Membership Number: 092212

Place: Gurugram, India

Date: 1 July 2025

For and on behalf of the Board of Directors**of HCL Training & Staffing Services Private Limited**

SHIV KUMAR
WALIA

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SHIV KUMAR WALIA
Date: 2025.07.01
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RUNGTA

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GOUTAM
RUNGTA
Date:
2025.07.01
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Shiv Walia**Director**

DIN - 09492224

Place: Noida (UP), India

Date: 1 July 2025

Goutam Rungta**Director**

DIN - 08599656

Place: Noida (UP), India

Date: 1 July 2025

HCL Training & Staffing Services Private Limited
Statement of Cash flows

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

	Year ended 31 March 2025	Year ended 31 March 2024
Profit/(Loss) before tax	56,873	44,048
Adjustment for:		
Depreciation and amortization expense	45,331	72,337
Interest income	(228)	(6)
Income on investments carried at fair value through profit and loss	(3,220)	(7,967)
Interest expense	38,398	37,557
Profit on sale of property, plant and equipment (net)	(200)	(95)
Other non cash (income) / charge	(191)	-
	136,763	145,874
Net change in		
Trade receivables	(120,010)	(73,848)
Other financial assets and other assets	4,695	8,558
Trade payables	(14,660)	(137,172)
Other financial liabilities, contract liabilities, provisions and other liabilities	(23,824)	(44,681)
Cash used in operations	(17,036)	(101,269)
Income taxes paid (net of refunds)	1,027	(4,179)
Net cash flow (used in) operating activities	(A) (16,009)	(105,448)
B. Cash flows from investing activities		
Purchase of investments in securities	(186,491)	(492,475)
Proceeds from sale of investments in securities	253,445	524,619
Purchase of property, plant and equipment	-	(225)
Proceeds from sale of property, plant and equipment	520	98,225
Net cash flow from investing activities	(B) 67,474	130,144
C. Cash flows from financing activities		
Repayment of short term borrowings	(2,690)	(151)
Interest paid	(44,543)	(28,411)
Net cash flow (used in) financing activities	(C) (47,233)	(28,562)
Net decrease in cash and cash equivalents (A+B+C)	4,232	(3,866)
Cash and cash equivalents at the beginning of the year	2,645	6,511
Cash and cash equivalents at the end of the year as per note 2.7	6,877	2,645

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022

RAKESH DEWAN
Digitally signed by
RAKESH DEWAN
Date: 2025.07.01
22:50:05 +05'30'

Rakesh Dewan
Partner
Membership Number: 092212

Place: Gurugram, India
Date: 1 July 2025

For and on behalf of the Board of Directors
of HCL Training & Staffing Services Private Limited

SHIV KUMAR WALIA
Digitally signed by
SHIV KUMAR WALIA
Date: 2025.07.01
21:39:55 +05'30'

Shiv Walia
Director
DIN - 09492224

Place: Noida (UP), India
Date: 1 July 2025

GOUTAM RUNGTA
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RUNGTA
Date: 2025.07.01
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Goutam Rungta
Director
DIN - 08599656

Place: Noida (UP), India
Date: 1 July 2025

ORGANIZATION AND NATURE OF OPERATIONS

HCL Training & Staffing Services Private Limited (hereinafter referred to as “the Company”) is primarily engaged in the business of setting up, establishing, maintaining, managing and running technical institutions, training centers for imparting technical training & education, upgradation of knowledge, skill, proficiency, adeptness for engineers, other technical personnel and staff members of the Company as may be useful or valuable to or in respect of any business or commercial environment and to carry on recruitment & placement, provide skilled or technical man power services or staffing to other business or commercial entities in India or elsewhere including execution of job work enabling them to achieve their business objectives or goals. The Company was incorporated under the provisions of the Companies Act applicable in India on 15 June 2015, having its registered office at 806, Siddharth, 96, Nehru Place, New Delhi-110019.

The financial statements for the year ended 31 March 2025 were approved and authorized for issue by the Board of Directors on 1 July 2025.

1. MATERIAL ACCOUNTING POLICIES

(a) Basis of preparation

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time and presentation requirements of Schedule III (Division II) to the Companies Act, 2013, as applicable to the financial statements.

These financial statements have been prepared under the historical cost convention on an accrual and going concern basis, except for the following assets and liabilities which have been measured at fair value

- i) Certain financial assets and liabilities (refer accounting policy regarding financial instruments),
- ii) Defined benefit plans

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

The Company has incurred losses in the previous years which have resulted in erosion of net worth of the company. However, management believes that the Company, based on its business plans and HCL Technologies Limited, the holding company's commitment to provide financial and operational support for a period of not less than 12 months from the date of the financial statements, would be able to continue its business operations and meet its liquidity requirements for the foreseeable future. Accordingly, no adjustments would be required in respect of the carrying value of assets or liabilities and these financial statements have been prepared on a going concern basis.

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

The Company uses the Indian Rupee (₹) as its reporting currency.

(b) Use of estimates, judgements and assumptions

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

HCL Training & Staffing Services Private Limited
Notes to financial statements for the year ended 31 March 2025
(All amounts in thousands of ₹, except share data and as stated otherwise)

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

- i. Allowance for uncollectible accounts receivables, refer note 1(m)(i)
- ii. Recognition of income and deferred taxes, refer note 1(f) and note 2.22
- iii. Key actuarial assumptions for measurement of future obligations under employee benefit plans, refer note 1(l) and note 2.24
- iv. Useful lives of property, plant and equipment, refer note 1(g)
- v. Lives of intangible assets, refer note 1(h)
- vi. Provisions and contingent liabilities, refer note 1(k) and note 2.27

(c) Foreign currency and translation

The financial statements of the Company are presented in Indian Rupee (₹) which is also the Company's functional currency.

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

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

(d) Fair value measurement

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

The Company holds certain fixed income securities, other securities which must be measured using the guidance for fair value hierarchy and related valuation methodologies. The guidance specifies a hierarchy of valuation techniques based on whether the inputs to each measurement are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's assumptions about current market conditions. The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The prescribed fair value hierarchy and related valuation methodologies are as follows:

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

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

Level 3 - Valuations derived from valuation techniques, in which one or more significant inputs are unobservable inputs which are supported by little or no market activity.

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

- a) Market approach - Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.
- b) Income approach - Converting the future amounts based on market expectations to its present value using the discounting method.
- c) Cost approach - Replacement cost method.

HCL Training & Staffing Services Private Limited
Notes to financial statements for the year ended 31 March 2025
(All amounts in thousands of ₹, except share data and as stated otherwise)

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

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

(e) Revenue recognition

Contracts involving provision of services and material

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

Revenue for the company comprises of fee from the candidates/ third parties for rendering training services.

Training Revenue

-Fee for seat reservation and registration, which is collectible during initial phase of the training period, is recognized over the period of training services.

-Fee for training services is accrued and recognized over the period of training. The revenue is recognized from the date of start of the training services.

Revenue from recruitment recharge service is recognized on cost plus model when services has been rendered, the fee is determinable and collectability is reasonably assured in term of service agreement.

Revenue is recognized net of discounts and allowances, goods and service tax.

Amount received from Students for whom training have not been started is classified as Advance from Students.

Excess of amount received from students over revenue recognized is classified as Contract liabilities and subsequently recognized over the balance period of the training.

Other Income

Other income mainly comprises interest income on debt securities, bank and other deposits, other interest income recognized using the effective interest method, profit on sale of property, plant and equipment, debt securities and mutual fund and net foreign exchange gains.

(f) Income taxes

Income tax expense comprises current and deferred income tax.

Income tax expense is recognized in the statement of profit and loss. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Provision for income tax includes the impact of provisions established for uncertain income tax positions. Tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

HCL Training & Staffing Services Private Limited
Notes to financial statements for the year ended 31 March 2025
(All amounts in thousands of ₹, except share data and as stated otherwise)

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

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

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

(g) Property, plant and equipment

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

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

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

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

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

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

<u>Asset description</u>	<u>Asset life (in years)</u>
Plant and equipment	10
Office equipment	5
Computers	4-5
Furniture and fixtures	7
Vehicles	5

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

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

(h) Intangible assets

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

Intangible assets are amortized over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss.

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

The intangible assets are amortized over the estimated useful life of the assets as mentioned below:

<u>Asset description</u>	<u>Asset life (in years)</u>
Software	Over the term of license or 3 years, whichever is lower

(i) Borrowing Costs

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

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(j) Impairment of non-financial assets

Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. Impairment, if any, is measured by the amount by which the carrying value of the asset exceeds the estimated recoverable amount of the asset. Subsequently if there is a change in the estimates used to determine the recoverable amount, the impairment loss is reversed. Such reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined on the date of reversal, if no impairment loss had been recognized. Such impairment and any subsequent reversal is recognized in the statement of profit and loss.

(k) Provisions and contingent liabilities

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

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

(l) Retirement and other employee benefits

- i. **Provident fund:** Contribution towards Provident Fund for employees is made to the regulatory authorities. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.
- ii. **Gratuity liability:** The Company provides for gratuity, a defined benefit plan (the “Gratuity Plan”) covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee’s base salary and the tenure of employment (subject to a maximum of ₹ 20 lacs per employee). The liability is actuarially determined (using the projected unit credit method) at the end of each year. Actuarial gains/losses are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the year in which they occur.
- iii. **Compensated absences:** The employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating in nature. The employees can carry forward up to the specified portion of the unutilized accumulated compensated absences and utilize it in future periods or receive cash at retirement or termination of employment. The expected cost of accumulating compensated absences is determined by actuarial valuation (using the projected unit credit method) based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the balance sheet date. The expense on non-accumulating compensated absences is recognized in the statement of profit and loss in the year in which the absences occur. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.
- iv. **State Plans:** The contribution to State Plans, a defined contribution plan namely Employee State Insurance Fund and Employees’ Pension Scheme for the Company are charged to the statement of profit and loss as and when employees render related services.

(m) 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 and 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. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Cash and cash equivalents and other bank balances

Cash and cash equivalents in the balance sheet comprise cash in banks which are subject to an insignificant risk of change in value.

Financial assets at amortized cost

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

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

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

Financial asset at Fair Value through Other Comprehensive Income (OCI)

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

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

Financial assets included within the OCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from OCI to statement of profit and loss.

Financial assets at Fair Value through Profit and Loss

Any financial asset, which does not meet the criteria for categorization at amortized cost or at fair value through other comprehensive income, is classified at fair value through profit and loss. Financial instruments included in the fair value through profit and loss category are measured at fair value with all changes recognized in the statement of profit and loss.

Derecognition of financial assets

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

Impairment of financial assets

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

ii. Financial liabilities

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

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

Financial liabilities at fair value through profit and loss

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

Financial liabilities at amortized cost

The Company's financial liabilities at amortized cost are initially recognized at, net of transaction costs and includes trade payables, borrowings 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.

HCL Training & Staffing Services Private Limited
Notes to financial statements for the year ended 31 March 2025
(All amounts in thousands of ₹, except share data and as stated otherwise)

(n) Earnings per share (EPS)

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

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

(o) Recently issued accounting pronouncements

On 31 March 2025, there are no new standards or amendments to the existing standards applicable to the company which has been notified by Ministry of Corporate Affairs (MCA).

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

2. Notes to financial statements

2.1 Property, plant and equipment

The changes in the carrying value for the year ended 31 .

	Plant and equipment	Office equipment	Computers	Furniture and fittings	Vehicles#	Total
Gross block as at 1 April 2024	3,348	6,735	231,398	1,511	885	243,877
Additions	-	-	-	-	-	-
Disposals	-	-	(5,681)	-	(885)	(6,566)
Gross block as at 31 March 2025	3,348	6,735	225,717	1,511	-	237,311
Accumulated depreciation as at 1 April 2024	2,813	6,672	146,799	1,291	680	158,255
Depreciation	146	62	45,013	86	7	45,314
Disposals	-	-	(5,559)	-	(687)	(6,246)
Accumulated depreciation as at 31 March 2025	2,959	6,734	186,253	1,377	-	197,323
Net block as at 31 March 2025	389	1	39,464	134	-	39,988

#Also refer footnote of note 2.10

The changes in the carrying value for the year ended 31 March 2024

	Plant and equipment	Office equipment	Computers	Furniture and fittings	Vehicles#	Total
Gross block as at 1 April 2023	3,348	6,735	406,259	1,511	885	418,738
Additions	-	-	53	-	-	53
Disposals	-	-	(174,914)	-	-	(174,914)
Gross block as at 31 March 2024	3,348	6,735	231,398	1,511	885	243,877
Accumulated depreciation as at 1 April 2023	2,667	6,571	151,797	1,182	503	162,720
Depreciation	146	101	71,787	109	177	72,320
Disposals	-	-	(76,785)	-	-	(76,785)
Accumulated depreciation as at 31 March 2024	2,813	6,672	146,799	1,291	680	158,255
Net block as at 31 March 2024	535	63	84,599	220	205	85,622

#Also refer footnote of note 2.10

HCL Training & Staffing Services Private Limited
Notes to financial statements for the year ended 31 March 2025

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

2.2 Goodwill & other intangible assets

The changes in the carrying value for the year ended 31 March 2025

	Goodwill	Software	Total
Gross block as at 1 April 2024	16,000	15,406	31,406
Additions	-	-	-
Disposals/ other adjustments	-	(4,128)	(4,128)
Gross block as at 31 March 2025	16,000	11,278	27,278
Accumulated amortisation as at 1 April 2024	16,000	15,385	31,385
Amortization	-	17	17
Disposals/ other adjustments	-	(4,128)	(4,128)
Accumulated amortisation as at 31 March 2025	16,000	11,274	27,274
Net block as at 31 March 2025	-	4	4
Estimated remaining useful life (in years)	-	3	3

The changes in the carrying value for the year ended 31 March 2024

	Goodwill	Software	Total
Gross block as at 1 April 2023	16,000	15,406	31,406
Additions	-	-	-
Gross block as at 31 March 2024	16,000	15,406	31,406
Accumulated amortisation as at 1 April 2023	16,000	15,368	31,368
Amortization	-	17	17
Accumulated amortisation as at 31 March 2024	16,000	15,385	31,385
Net block as at 31 March 2024	-	21	21
Estimated remaining useful life (in years)	-	3	3

2.3 Other Financial assets

	As at	
	31 March 2025	31 March 2024
Current		
Carried at amortized cost		
Security deposits- related party (refer note 2.23)	1,536	1,536
Other receivables - related parties (refer note 2.23)	-	1,291
	1,536	2,827
Unsecured, considered doubtful		
Security deposits	-	191
Advances to employees	1,138	-
Less: Provision for current assets	(1,138)	(191)
	-	-
	1,536	2,827

2.4 Other non current assets

	As at	
	31 March 2025	31 March 2024
Unsecured considered good		
Others		
Prepaid expenses	3	8
	3	8

HCL Training & Staffing Services Private Limited

Notes to financial statements for the year ended 31 March 2025

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

2.5 Investments

	As at	
	31 March 2025	31 March 2024
Financial assets		
Current		
Unquoted investment		
Carried at fair value through profit and loss		
Investment in mutual funds	11,551	75,285
Aggregate amount of current investments	11,551	75,285

2.6 Trade receivables

	As at	
	31 March 2025	31 March 2024
Current		
Billed		
Unsecured, considered good (refer note below)	123,139	501
Unbilled receivables (refer note below)	70,726	73,355
	193,865	73,856

Note: Includes receivables from related parties amounting to ₹ 155,749 thousand (31 March 2024 ₹ 73,856 thousand).

Trade receivables - current	Not Due	Outstanding as at 31 March 2025 from the due date of payment					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
		Undisputed - considered good	14,880	79,467	28,792	-	-
	14,880	79,467	28,792	-	-	-	123,139
Unbilled receivables	70,726	-	-	-	-	-	70,726
							193,865

Trade receivables - current	Not Due	Outstanding as at 31 March 2024 from the due date of payment					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
		Undisputed - considered good	381	15	97	-	-
	381	15	97	-	-	8	501
Unbilled receivables	73,355	-	-	-	-	-	73,355
							73,856

Relationship with Struck off companies

There are no transactions with struck off companies for the year ended 31 March 2025 and 2024.

2.7 Cash and cash equivalents

	As at	
	31 March 2025	31 March 2024
Cash and cash equivalents		
Balance with banks	6,877	2,645
	6,877	2,645

2.8 Other current assets

	As at	
	31 March 2025	31 March 2024
Unsecured, considered good		
Advances other than capital advances		
Security deposits	1,223	1,156
Advances to employees	27	3
Advances to suppliers	1,018	1,087
Others		
Prepaid expenses	3,060	3,782
Goods and service tax recoverable	-	2,508
	5,328	8,536
Unsecured, considered doubtful		
Advances other than capital advances		
Advances to employees	270	-
Goods and service tax recoverable	10,010	39,271
Less: Provision for other current assets	(10,280)	(39,271)
	-	-
	5,328	8,536

HCL Training & Staffing Services Private Limited
Notes to financial statements for the year ended 31 March 2025

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

2.9 Share capital

	As at	
	31 March 2025	31 March 2024
Authorized 2,000,000 (31 March 2024 : 2,000,000) equity shares of ₹ 10 each	20,000	20,000
Issued, subscribed and fully paid up 1,751,301 (31 March 2024 : 1,751,301) equity shares of ₹ 10 each	17,513	17,513

Terms/rights attached to equity shares

The Company has only one class of shares referred to as equity shares having par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share.

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

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

	As at			
	31 March 2025		31 March 2024	
	No. of shares	₹ in thousands	No. of shares	₹ in thousands
Number of shares at the beginning	1,751,301	17,513	1,751,301	17,513
Add: Shares issued during the year	-	-	-	-
Number of shares at the end	1,751,301	17,513	1,751,301	17,513

Shares held by holding/ultimate holding company:

	As at	
	31 March 2025	31 March 2024
HCL Technologies Limited, the holding company (including its nominee) 1,751,301 equity shares of ₹ 10 each	17,513	17,513

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

Name of the shareholder	As at			
	31 March 2025		31 March 2024	
	No. of shares	% holding in the class	No. of shares	% holding in the class
1,751,301 Equity shares of ₹ 10 each fully paid HCL Technologies Limited, the holding Company (including its nominee)	1,751,301	100%	1,751,301	100%

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

There were no bonus shares issued, no share issued for consideration other than cash and no shares bought back during the current and previous year.

Capital management

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

2.10 Borrowings

	Non-current		Current	
	As at		As at	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Long term borrowing (secured)				
Term loan from banks (refer note below)	-	25	-	165
	-	25	-	165
Less: current maturities of long term borrowings	-	-	-	(165)
	-	25	-	-
Short term borrowings (unsecured)				
Loan from related party	-	-	446,500	449,000
Current maturities of long term borrowings	-	-	-	165
	-	25	446,500	449,165

Note:-

1. Company has term loans of ₹ Nil (31 March 2024, ₹190 thousand) secured against gross block of vehicles of Nil (31 March 2024, ₹885 thousand) at interest rates ranging from 7.00% p.a. to 9.15% p.a.. The loans are repayable over a period of 3 to 5 years on a monthly basis.

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

2.11 Other financial liabilities

	As at	
	31 March 2025	31 March 2024
Current		
Carried at amortized cost		
Accrued salaries and benefits		
Employee bonuses accrued	4,257	5,409
Other employee costs	6,089	7,753
Others		
Interest accrued but not due on borrowings - related party (refer note 2.23)	5,575	11,720
Liabilities towards amount refundable (refer note 1 below)	3,824	17,821
Other payables	1,034	7,608
Other payables - related party (refer note 2 below and 2.23)	-	583
	20,779	50,894

Note 1 : It is a financial liability which represents amount refundable to the students.

Note 2 : Amount payable to HCL Technologies Limited, the ultimate Parent Company against RSUs awarded to the employees of the Company

2.12 Provisions

	As at	
	31 March 2025	31 March 2024
Non - current		
Provision for employee benefits		
Provision for gratuity (refer note 2.24)	2,634	2,267
Provision for leave benefits	1,147	1,172
	3,781	3,439
Current		
Provision for employee benefits		
Provision for gratuity (refer note 2.24)	533	246
Provision for leave benefits	240	283
Other provisions	529	518
	1,302	1,047

2.13 Other non current liabilities

	As at	
	31 March 2025	31 March 2024
Non Current		
Carried at amortized cost		
Deposits from employee	-	177
	-	177

2.14 Trade payables

	As at	
	31 March 2025	31 March 2024
Trade payables	7,362	10,478
Trade payables-related party (refer note 2.23)	383,950	399,707
	391,312	410,185
Unbilled and accruals	7,328	14,454
Unbilled and accruals-related parties (refer note 2.23)	12,675	1,337
	20,003	15,791
Total	411,315	425,976

Particulars	Not Due	Outstanding as at 31 March 2025 from the due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
		(i) MSME	98	-	-	-
(ii) Others	4,272	386,942	-	-	391,214	
	4,370	386,942	-	-	391,312	
Unbilled and accruals					20,003	
					411,315	

Particulars	Not Due	Outstanding as at 31 March 2024 from the due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
		(i) MSME	1,159	-	-	-
(ii) Others	14,406	8,424	386,196	-	409,025	
(iii) Disputed dues - others	-	1	-	-	1	
	15,565	8,425	386,196	-	410,185	
Unbilled and accruals					15,791	
					425,976	

Relationship with Struck off companies

There are no transactions with struck off companies for the year ended 31 March 2025 and 2024.

HCL Training & Staffing Services Private Limited**Notes to financial statements for the year ended 31 March 2025**

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

2.15 Contract liabilities

	As at	
	31 March 2025	31 March 2024
Current		
Contract liabilities	24,630	27,733
	24,630	27,733

2.16 Other current liabilities

	As at	
	31 March 2025	31 March 2024
Advance from students	3,858	582
Withholding and other statutory dues	3,552	3,916
	7,410	4,498

2.17 Revenue from operations

	Year ended	
	31 March 2025	31 March 2024
Training revenue	345,140	395,078
	345,140	395,078

Disaggregate Revenue Information

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

	Year ended	Year ended
	31 March 2025	31 March 2024
Geography wise		
India	345,140	395,078
	345,140	395,078

Remaining performance obligations

Remaining performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc).

As at 31 March 2025, the aggregate amount of transaction price allocated to remaining performance obligations as per the requirements of Ind AS 115 was ₹ 34,720 thousands (31 March 2024, ₹ Nil) out of which, approximately 100% (31 March 2024, Nil) is expected to be recognized as revenues within one year. These amounts are not adjusted for variable consideration allocated to remaining performance obligation, which are not probable.

Contract balances

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

The company does not have any contract assets as on 31 March 2025 and 31 March 2024.

HCL Training & Staffing Services Private Limited**Notes to financial statements for the year ended 31 March 2025**

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

2.17 Revenue from operations(continued)

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

	Year ended	
	31 March 2025	31 March 2024
Balance as at beginning of the year	27,733	37,641
Additional amounts billed but not recognized as revenue during the year	24,630	27,733
Deduction on account of revenues recognized during the year	(27,733)	(37,641)
Balance as at 31 March 2025	24,630	27,733

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

The Company does not have any deferred contract cost as on 31 March 2025 and 31 March 2024.

2.18 Other income

	Year ended	
	31 March 2025	31 March 2024
Interest income		
-On income tax refund	228	6
Income on investments carried at fair value through profit and loss		
-Unrealized gain on fair value changes on mutual funds	(870)	127
-Profit on sale of mutual funds	4,090	7,841
Profit on sale of property, plant & equipment	200	95
Provision no longer required written back	191	-
Exchange differences (net)	31	-
Miscellaneous income	1,232	1,925
	5,102	9,994

2.19 Employee benefits expense

	Year ended	
	31 March 2025	31 March 2024
Salaries, wages and bonus	95,565	104,147
Contribution to provident fund and other employee funds	9,490	9,508
Staff welfare expenses	619	1,438
	105,674	115,093

HCL Training & Staffing Services Private Limited**Notes to financial statements for the year ended 31 March 2025**

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

2.20 Finance costs

	Year ended	
	31 March 2025	31 March 2024
Interest on loans from bank	-	24
Interest on short term loan -related party (refer note 2.23)	38,398	37,533
Bank charges	28	31
	38,426	37,588

2.21 Other expenses

	Year ended	
	31 March 2025	31 March 2024
Rent	18,338	12,235
Power and fuel	430	206
Insurance	292	113
Repairs and maintenance	815	1,132
Communication costs	1,561	1,064
Travel and conveyance	5,070	10,724
Recruitment, training, development and business promotion expense	38,227	65,103
Legal and professional charges	2,564	4,498
Printing and stationery	92	555
Rates and taxes	4,160	2,949
Exchange differences (net)	-	1,575
Miscellaneous expenses	1,865	2,829
	73,414	102,983

2.22 Income taxes

	Year ended	
	31 March 2025	31 March 2024
Income tax charged to statement of profit and loss		
Deferred tax credit	12,992	33,587
	12,992	33,587
Income tax charged to other comprehensive income		
Expense on re-measurements of defined benefit plans	6	(98)
	6	(98)

HCL Training & Staffing Services Private Limited
Notes to financial statements for the year ended 31 March 2025

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

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

	Year ended	
	31 March 2025	31 March 2024
Profit/ (Loss) before income tax	56,873	44,048
Statutory tax rate in India	25.17%	25.17%
Expected tax expense	14,314	11,086
Unrecognised tax benefit	(328)	18,280
Deferred tax reversed/(created) on tax losses and temporary differences	(1,063)	2,956
Permanent differences	19	26
Deferred tax true up for previous year	-	1,337
Others (net)	50	(98)
Total taxes (income)	12,992	33,587
Effective income tax rate	22.84%	76.25%

Components of deferred tax assets and liabilities as on 31 March 2025

	Opening balance	Recognized in profit and loss	Recognised in/ reclassified from OCI	Closing balance
Deferred tax assets				
Business losses	170,466	(10,201)	-	160,265
Provision for doubtful debts/employee recoverables	522	32	-	554
Accrued employee costs	894	(555)	-	339
Gratuity	958	171	-	1,129
Others	11,393	(8,348)	-	3,045
Gross deferred tax assets (A)	184,233	(18,901)	-	165,332
Deferred tax liabilities				
Depreciation and amortization	6,402	(5,690)	-	712
Unrealized gain on mutual funds	250	(219)	-	31
Others	587	-	6	593
Gross deferred tax liabilities (B)	7,239	(5,909)	6	1,336
Net deferred tax assets (A-B)	176,994	(12,992)	(6)	163,996

Components of deferred tax assets and liabilities as on 31 March 2024

	Opening balance	Recognized in profit and loss	Recognised in/ reclassified from OCI	Closing balance
Deferred tax assets				
Business losses	220,234	(49,768)	-	170,466
Provision for doubtful debts	594	(72)	-	522
Accrued employee costs	923	(29)	-	894
Gratuity	1,015	(57)	-	958
Others	3,828	7,565	-	11,393
Gross deferred tax assets (A)	226,594	(42,361)	-	184,233
Deferred tax liabilities				
Depreciation and amortization	15,208	(8,806)	-	6,402
Unrealized gain on mutual funds	218	32	-	250
Others	685	-	(98)	587
Gross deferred tax liabilities (B)	16,111	(8,774)	(98)	7,239
Net deferred tax assets (A-B)	210,483	(33,587)	98	176,994

Deferred tax assets primarily related to carried forward losses and other temporary differences amounting to ₹ 87,259 thousand (31 March 2024, ₹ 21,137 thousand) were not recognized as per applicable accounting standards. The tax losses amounting to ₹ 30,131 thousand, ₹ 243,938 thousand, ₹ 153,997 thousand and ₹ 397,805 thousand can be carried till March 2027, March 2028, March 2029 and March 2031 respectively.

The Company has an ongoing litigation with tax authorities related to earlier years that arose in the ordinary course of business. The possibility of any outflow in settlement of litigation is remote.

HCL Training & Staffing Services Private Limited
Notes to financial statements for the year ended 31 March 2025

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

2.23 Related party transactions

a) Related parties where control exists

(i) Holding Company : HCL Technologies Limited

b) Related parties with whom transactions (including outstanding balances) have taken place during the year:

(i) Holding Company : HCL Technologies Limited (w.e.f. 01-04-2019 via order dated 13-07-2020)

(ii) Fellow Subsidiary Companies : C3i Support Services Private Limited
HCL Software Products Limited

(iii) Significant Influence : HCL IT City Lucknow Private Limited
HCL Avitas Private Limited

Transactions with related parties during the normal course of business	Holding company		Fellow subsidiary		Significant influence	
	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended
	31 March 2025	31 March 2024	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Training revenue	244,326	280,333	-	-	-	(100)
Payment for use of facilities	11,057	5,875	-	-	7,156	5,344
Repayment of loan taken	-	-	2,500	-	-	-
Consulting charges	8,078	-	-	-	-	-
Other expenses	-	-	-	-	538	797
Interest expense	-	-	38,398	37,533	-	-

Material related party transaction	Year ended	Year ended
	31 March 2025	31 March 2024
Loan taken/ Interest expense		
HCL Software Products Limited	21,398	20,889
C3i Support Services Private Limited	17,000	16,644
Repayment of loan taken		
HCL Software Products Limited	2,500	-
Training Revenue		
HCL IT City Lucknow Private Limited	-	(100)
HCL Technologies Limited	244,326	280,333

Outstanding balances	Holding company		Fellow subsidiary		Significant influence	
	As at		As at		As at	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Trade receivables, other financial assets and other assets	160,898	77,819	-	1,413	1,536	1,536
Trade payables, other financial liabilities, borrowings and other liabilities	396,018	401,398	452,075	460,720	608	(3,658)

2.24 Employee benefits

The Company has calculated the various benefits provided to employees as given below:

A. Defined contribution plans and state plans

Employer's contribution to Employees Provident Fund
Employer's contribution to Employee Pension Scheme

During the year the Company has recognized the following amounts in the statement of profit and loss :

	Year ended	
	31 March 2025	31 March 2024
Employer's contribution to Employees Provident Fund	1,751	1,744
Employer's contribution to Employee's Pension Scheme	573	709
Total	2,324	2,453

HCL Training & Staffing Services Private Limited
Notes to financial statements for the year ended 31 March 2025

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

2.24 Employee benefits (continued)

B. Defined benefit plans

Gratuity

The following table sets out the status of the gratuity plan :

Statement of profit and loss

	As at	
	31 March 2025	31 March 2024
Current Service cost	781	693
Interest cost (net)	172	165
Net benefit expense/(income)	953	858

Balance Sheet

	As at	
	31 March 2025	31 March 2024
Defined benefit obligations	3,167	2,512
Net plan liability	3,167	2,512
Current defined benefit obligations	533	246
Non-current defined benefit obligations	2,634	2,267

Changes in present value of the defined benefit obligations are as follows:

	Year ended	
	31 March 2025	31 March 2024
Opening defined benefit obligations	2,512	2,350
Current service cost	781	693
Interest cost	172	165
Re-measurement (gains) losses in OCI		
Actuarial changes arising from changes in demographic assumptions	23	(48)
Actuarial changes arising from changes in financial assumptions	(1)	(40)
Experience adjustments	(46)	476
Business Combination	(174)	-
Benefits paid	(100)	(1,084)
Closing defined benefit obligations	3,167	2,512

The principal assumptions used in determining gratuity liability for the Company's plan are shown below:

	As at	
	31 March 2025	31 March 2024
Discount rate	6.70%	7.20%
Estimated Rate of salary increases	5.50%	6.00%
Expected rate of return on assets	NA	NA

The estimates of future salary increases, considered in the actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Discount rate and future salary escalation rate are the key actuarial assumptions to which the defined benefit obligations are particularly sensitive. The following table summarizes the impact on defined benefit obligations as at 31 March 2025 arising due to an increase / decrease in key actuarial assumptions by 50 basis points:

	Discount rate		Salary escalation rate	
	As at		As at	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Impact of increase	(80)	(75)	85	80
Impact of decrease	84	79	(81)	(76)

HCL Training & Staffing Services Private Limited
Notes to financial statements for the year ended 31 March 2025

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

2.24 Employee benefits (continued)

The sensitivity analysis presented may not be representative of the actual change in the defined benefit obligations as sensitivities have been calculated to show the movement in defined benefit obligations in isolation and assuming there are no other changes in market conditions. There have been no changes from the previous years in the methods and assumptions used in preparing the sensitivity analysis.

The defined benefit obligations are expected to mature after 31 March 2025 as follows:

Year ending 31 March ,	Cash flows
- 2026	533
- 2027	1,033
- 2028	742
- 2029	737
- 2030	678
-Thereafter	9,841

The weighted average duration of the payment of these cash flows is 5.15 years.

2.25 Financial instruments

(a) Financial assets and liabilities

The carrying value of financial instruments by categories as at 31 March 2025 is as follows:

	Fair value through profit and loss	Amortized cost	Total carrying value
Financial assets			
Investments	11,551	-	11,551
Trade receivables	-	193,865	193,865
Cash and cash equivalents	-	6,877	6,877
Others (refer note 2.3)	-	1,536	1,536
Total	11,551	202,278	213,829
Financial liabilities			
Borrowings	-	446,500	446,500
Trade payables (including unbilled and accruals)	-	411,315	411,315
Others (refer note 2.11)	-	20,779	20,779
Total	-	878,594	878,594

The carrying value of financial instruments by categories as at 31 March 2024 is as follows:

	Fair value through profit and loss	Amortized cost	Total carrying value
Financial assets			
Investments	75,285	-	75,285
Trade receivables	-	73,856	73,856
Cash and cash equivalents	-	2,645	2,645
Others (refer note 2.3)	-	2,827	2,827
Total	75,285	79,328	154,613
Financial liabilities			
Borrowings	-	449,190	449,190
Trade payables (including unbilled and accruals)	-	425,976	425,976
Others (refer note 2.11)	-	50,894	50,894
Total	-	926,060	926,060

HCL Training & Staffing Services Private Limited
Notes to financial statements for the year ended 31 March 2025

(All amounts in thousands of ₹ unless stated otherwise)

2.25 Financial instruments (continued)

Fair value hierarchy

The assets and liabilities measured at fair value on a recurring basis as at 31 March 2025 and the basis for that measurement is as below:

	Fair value	Level 1 inputs	Level 2 inputs	Level 3 inputs
Assets				
Investments carried at fair value through profit and loss	11,551	11,551	-	-

There have been no transfers between Level 1 and Level 2 during the year

The assets and liabilities measured at fair value on a recurring basis as at 31 March 2024 and the basis for that measurement is as below:

	Fair value	Level 1 inputs	Level 2 inputs	Level 3 inputs
Assets				
Investments carried at fair value through profit and loss	75,285	75,285	-	-

There have been no transfers between Level 1 and Level 2 during the year

Valuation methodologies

Investments: The Company's investments consist of investment in debt linked mutual funds which are determined using quoted prices or identical quoted prices of assets or liabilities in active markets and are classified as Level 1.

The Company assessed that fair value of cash and cash equivalents, other financial asset, trade receivables, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

HCL Training & Staffing Services Private Limited
Notes to financial statements for the year ended 31 March 2025

(All amounts in thousands of ₹ unless stated otherwise)

2.25 Financial instruments (continued)

(b) Financial risk management

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

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.

1. 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 not significantly exposed to fluctuation in foreign currency exchange rates.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in exchange rates. The exchange rate risk primarily arises from assets and liabilities denominated in currencies other than the functional currency. The Company's large portion of transactions are in Indian rupees and insignificant portion of transactions are in foreign currency.

The fluctuation in exchange rates in respect to the Indian rupee may have potential impact on the statement of profit and loss and other comprehensive income and equity.

Appreciation / depreciation of 5% in respective foreign currencies with respect to functional currency of the Company would result in decrease / increase in the Company's profit before tax by approximately ₹ 76 thousands (31 March 2024, ₹89 thousands) for the year ended 31 March 2024.

The rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of the currency by 5% against the respective functional currency of the Company. The sensitivity analysis presented above may not be representative of the actual change.

	Financial assets		Financial liabilities	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
USD / INR	1,529	808	-	-
LKR / INR	-	608	-	-
SGD / INR	-	355	-	-

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's investments and borrowings are primarily fixed rate interest bearing. Hence, the Company is not significantly exposed to interest rate risk.

2. Credit risk

Financial instruments that potentially subject the Company to concentration of credit risk consist principally of cash and bank balances, trade receivables and investment securities. The cash resources of the Company are invested with mutual funds and banks after an evaluation of the credit risk. By their nature, all such financial instruments involve risks, including the credit risk of non-performance by counterparties.

The Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts, ageing of accounts receivables and unbilled receivables. A single customer accounted for more than 10% of trade receivables and unbilled receivables.

There is no allowance for lifetime expected credit loss required on customer balances.

HCL Training & Staffing Services Private Limited**Notes to financial statements for the year ended 31 March 2025**

(All amounts in thousands of ₹ unless stated otherwise)

3. Liquidity risk

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

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

	Year 1 (Current)	Year 2	Year 3	Year 4-5 and thereafter	Total
As at 31 March 2025					
Trade payables	411,315	-	-	-	411,315
Borrowings	452,075	-	-	-	452,075
Other financial liabilities	15,204	-	-	-	15,204
Total	878,594	-	-	-	878,594

	Year 1 (Current)	Year 2	Year 3	Year 4-5 and thereafter	Total
As at 31 March 2024					
Trade payables	425,976	-	-	-	425,976
Borrowings	460,885	25	-	-	460,910
Other financial liabilities	39,174	-	-	-	39,174
Total	926,035	25	-	-	926,060

2.26 Corporate social responsibility

As required by the Companies Act, 2013, the gross amount required to be spent by the Company on CSR activities is NIL (31 March 2024: NIL) and the amount spent is NIL: (31 March 2024 : ₹ NIL).

2.27 Commitments and contingent liabilities

	As at	
	31 March 2025	31 March 2024
i) Capital and other commitments		
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	-
	-	-

Note:-

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company toward Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the final rules are yet to be published. The Company will carry out an evaluation of the impact and record the same in the financial statements in the period in which the Code becomes effective and the related rules are published.

2.28 Payment to auditors

	Year ended	
	31 March 2025	31 March 2024
Statutory audit fees	809	809
Tax audit fees	232	300
	1,041	1,109

2.29 Earnings per share

The computation of earnings per share is as follows:

	Year ended	
	31 March 2025	31 March 2024
Net (Loss)/Profit as per statement of profit and loss for computation of EPS	43,881	10,461
Weighted average number of equity shares outstanding in calculating Basic/Diluted EPS	1,751,301	1,751,301
Nominal value of equity shares (in ₹)	10	10
(Loss)/Earnings per equity share (in ₹)		
- Basic	25.06	5.97
- Diluted	25.06	5.97

HCL Training & Staffing Services Private Limited
Notes to financial statements for the year ended 31 March 2025
(All amounts in thousands of ₹ unless stated otherwise)

2.30 Ratio

Ratio	Numerator	Denominator	Units	Year ended		% Variance
				31 March 2025	31 March 2024	
Current ratio	Current assets	Current liabilities	Times	0.25	0.18	39%
Debt equity ratio	Total Debt	Total equity	Times	(0.92)	(0.85)	-8%
Debt service coverage ratio	Earning availables for debt service (refer note 1 below)	Debt service (refer note 2 below)	Times	3.11	3.19	-3%
Return on equity ratio	Net profit after taxes	Average Total equity	%	-9%	-2%	-350%
Trade receivables turnover ratio	Net credit sales	Average trade receivables	Times	2.07	5.39	-62%
Trade payables turnover ratio	Net credit purchases (refer note below 4)	Average Trade Payables	Times	0.25	0.07	272%
Net capital turnover ratio	Revenue from operations	Working capital (refer note below 5)	Times	(0.50)	(0.50)	0%
Net profit ratio	Profit for the year	Revenue from operations	%	13%	3%	394%
Return on capital employed	Earning before interest and taxes	Capital employed (refer note 6 and 7 below)	%	47%	32%	48%
Return on investment - Unquoted	Income generated from invested funds	Time weighted average investments	%	6.36%	7.86%	-19%

Notes :

- (1) Earning availables for debt services = Net profit after taxes + depreciation and amortisation + interest + loss on sale of fixed assets
- (2) Debt service = Interest + lease payment + principal repayments
- (3) Cost of goods sold includes purchase of stock in trade and change in inventories of stock in trade
- (4) Net credit purchase includes purchase of stock-in-trade , change in inventories of stock-in-trade, outsourcing costs and other expenses
- (5) Working capital = current assets - current liabilities
- (6) Capital employed = Tangible net worth + total debt + deferred tax liability
- (7) Tangible networth = Networth - goodwill - other intangible assets - deferred tax assets
- (8) Average is calculated based on simple average of opening and closing balances.

Explanation where change in the ratio is more than 25%

Current ratio

Current ratio has improved due to increase in trade receivables in the current year.

Return on equity ratio

Return on equity ratio has declined due to decrease in average total equity.

Trade receivables turnover ratio

Trade receivables turnover ratio has declined due to increase in billed trade receivables mainly to group entities in the current year.

Trade payables turnover ratio

Trade payables turnover ratio has increase due to decrease in average trade payable in the current year.

Net profit ratio

Net profit ratio has improved due to profit in current year.

Return on capital employed

Return on capital employed ratio has improved due to profits earned in the current year.

2.31 Segment information

The Company's business falls within a single primary business and geographical segment i.e. imparting technical training & education to the candidates and to carry on recruitment & placement for such candidates to other business or commercial entities. There is no reportable segment as envisaged in Ind AS 108 'Operating Segments' notified under section 133 of the Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rules 2014.

2.32 Micro and small enterprises

As per information available with the management, the dues payable to enterprises covered under "The Micro, Small and Medium Enterprises Development Act, 2006" are as follows:

	As at	
	31 March 2025	31 March 2024
Dues remaining unpaid to any supplier		
Principal	98	-
Interest on the above	-	-
Amount of interest paid in terms of section 16 of MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
Amount of interest due and payable for the period of delay in making payment (which has been paid beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
Amount of interest accrued and remaining unpaid	-	23
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act, 2006.	-	-

This has been determined on the basis of responses received from vendors on specific confirmation sought by the Company.

2.32 Subsequent events

The company has issued share capital including securities premium for INR 80cr to its parent company HCL Technologies Limited in May 2025.

2.33 No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party (Ultimate Beneficiaries) identified by or on behalf of the Company. The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities ("Ultimate Beneficiaries") identified by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022

RAKESH DEWAN Digitally signed by RAKESH DEWAN
Date: 2025.07.01 22:49:17 +05'30'

Rakesh Dewan

Partner

Membership Number: 092212

Place: Gurugram, India

Date: 1 July 2025

For and on behalf of the Board of Directors

of HCL Training & Staffing Services Private Limited

SHIV KUMAR WALIA Digitally signed by SHIV KUMAR WALIA
Date: 2025.07.01 21:41:13 +05'30'

Shiv Walia

Director

DIN - 09492224

Place: Noida (UP), India

Date: 1 July 2025

GOUTAM RUNGTA Digitally signed by GOUTAM RUNGTA
Date: 2025.07.01 17:38:16 +05'30'

Goutam Rungta

Director

DIN - 08599656

Place: Noida (UP), India

Date: 1 July 2025