

Independent Auditor's Report**To the Board of Directors of HCL Technologies Slovakia S.R.O****Report on the Audit of the Financial Statements****Opinion**

We have audited the financial statements of HCL Technologies Slovakia S.R.O (the "Company"), which comprise the Balance Sheet as at 31 December 2024, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the period 01 April 2024 to 31 December 2024, and notes to the financial statements, including material accounting policies and other explanatory information (collectively referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 December 2024, and its profit and other comprehensive income, changes in equity and its cash flows for the period 01 April 2024 to 31 December 2024.

Basis for Opinion

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

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

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

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relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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- 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 safeguards.

Other Matter-Restriction on Use

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

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

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PRINCE SHARMA
Date: 2025.05.27
SHARMA 22:40:00 +05'30'

Prince Sharma
Partner

Membership No. 521307
ICAI UDIN: 25521307BMNPKA7311

Place: Gurugram, India
Date: 27 May 2025

Registered Office:

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

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

HCL Technologies Slovakia s.r.o

FINANCIAL STATEMENTS

For the period from 01 April 2024 to 31 December 2024

HCL Technologies Slovakia s.r.o**Balance Sheet**

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

	Note No.	As at 31 December 2024	31 March 2024
I. ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	3.1	2	1
(b) Goodwill	3.2	26	-
(c) Other intangible assets	3.3	10	-
(d) Deferred Tax Assets(net)	3.21	76	39
Total non-current assets		114	40
(2) Current assets			
(a) Inventories	3.4	-	-
(b) Financial assets			
(i) Trade receivables			
Billed	3.5	263	438
Unbilled	3.5	770	129
(ii) Cash and cash equivalents	3.6	-	98
(iii) Others	3.7	20	1
(d) Other current assets	3.8	83	23
Total current assets		1,136	689
TOTAL ASSETS		1,250	729
II. EQUITY			
(a) Capital Contribution	3.9	180	180
(b) Other equity		253	46
TOTAL EQUITY		433	226
III. LIABILITIES			
(1) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	3.10	11	-
(ii) Trade payables			
Billed	3.11	35	157
Unbilled and accruals	3.11	293	202
(iii) Others	3.12	319	65
(b) Contract liabilities		39	-
(c) Other current liabilities	3.13	51	13
(d) Provisions	3.14	44	33
(e) Current tax liabilities (net)		25	33
Total current liabilities		817	503
TOTAL LIABILITIES		817	503
TOTAL EQUITY AND LIABILITIES		1,250	729
Material accounting policies	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For B S R & Co. LLP

Chartered Accountants

Signed by:  Number : 101248W/ W-100022

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Partner

Membership Number: 521307

Gurugram, India

Date : 27-May-2025

For and on behalf of the Board of Directors of**HCL Technologies Slovakia s.r.o**

Signed by:



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Shiv Kumar Walia

Director

Berkshire, UK

Date : 27-May-2025

HCL Technologies Slovakia s.r.o**Statement of Profit and Loss**

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

	Note No.	Period ended 31 December 2024 (Apr'24 to Dec'24)	Year ended 31 March 2024 (Apr'23 to Mar'24)
I Revenue			
Revenue from operations	3.15	2,524	1,849
Other income	3.16	1	2
Total income		2,525	1,851
II Expenses			
Purchase of stock in trade		87	455
Changes in inventories of stock-in-trade	3.17	(64)	1
Employee benefits expense	3.18	780	736
Outsourcing costs		1,330	488
Finance costs	3.19	7	9
Depreciation and amortization expense		-	-
Other expenses	3.20	123	113
Total expenses		2,263	1,802
III Profit before tax		262	49
IV Tax expense			
Current tax	3.21	91	52
Deferred tax	3.21	(36)	(37)
Total tax expense		55	15
V Profit for the year/period		207	34
VI Other comprehensive income		-	-
VII Total comprehensive income for the year/period		207	34

Material accounting policies 1

The accompanying notes are an integral part of the financial statements

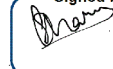
As per our report of even date

For B S R & Co. LLP

Chartered Accountants

Firm Registration Number : 101248W/ W-100022

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Partner

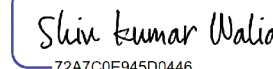
Membership Number: 521307

Gurugram, India

Date : 27-May-2025

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Director

Berkshire, UK

Date : 27-May-2025

HCL Technologies Slovakia s.r.o

Statement of Cash Flows

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

	Period ended	Year ended
	31 December 2024 (Apr'24 to Dec'24)	31 March 2024 (Apr'23 to Mar'24)
A. Cash flows from operating activities		
Profit before tax	262	49
Adjustment for:		
Depreciation and amortization expense	-	-
Provision for inventory	64	
Interest expenses	3	6
	329	55
Net Change in		
Inventories	(64)	1
Trade receivables(Billed & Unbilled)	(466)	(365)
Other financial assets and other assets	(79)	53
Trade payables(Billed & Unbilled accruals)	(31)	208
Provisions, other financial liabilities and other liabilities	310	73
Cash generated from/(used in) operations	(1)	25
Direct taxes paid	(99)	(24)
Net cash flow generated from/(used in) operating activities	(A) (100)	1
B. Cash flows from investing activities		
Purchase of property, plant and equipment, including capital work in progress and capital advances	(1)	(1)
Payments for business acquisition	(5)	-
Net cash flow used in investing activities	(B) (6)	(1)
C. Cash flows from financing activities		
Interest paid	(3)	(6)
Net cash flow from/(used in) financing activities	(C) (3)	(6)
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(109)	(6)
Cash and cash equivalents at the beginning of the year/period	98	104
Cash and cash equivalents at the end of the year/period as per note 3.6	(11)	98

Material accounting policies**1**

The accompanying notes are an integral part of the financial statements


As per our report of even date.

For B S R & Co. LLP

Chartered Accountants

Registration Number : 101248W/ W-100022

Signed by:

F37AB8158B20494...
Prince Sharma

Partner

Membership Number: 521307


Gurugram, India

Date : 27-May-2025

For and on behalf of the Board of Directors of

HCL Technologies Slovakia s.r.o

Signed by:

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Shiv Kumar Walia

Director

Berkshire, UK

Date : 27-May-2025

HCL Technologies Slovakia s.r.o**Statement of Changes in Equity**

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

	Capital Contribution	Other equity		Total Other equity
		General Reserve	Retained earnings	
Balance as at 1 April 2023	180	1	11	12
Profit for the year	-	-	34	34
Transfer to general reserve	-	2	(2)	-
Total comprehensive income for the year	-	2	32	34
Balance as at 31 March 2024	180	3	43	46
Balance as at 1 April 2024	180	3	43	46
Profit for the period	-	-	207	207
Transfer to general reserve	-	10	(10)	-
Total comprehensive income for the period	-	10	197	207
Balance as at 31 December 2024	180	13	240	253

Note 1: HCL Technologies Slovakia s.r.o is a limited liability company. As per the local Slovakian laws, a limited liability company does not issue any shares/units. Each participant must contribute a contribution of the amount, which must be at least EUR 750.

Note 2 : Pursuant to section 124(1) of the Commercial Code the company shall create a reserve fund from the net profit reported in the approved ordinary individual financial statement for the first time, in the amount of 5% of net profits, but at maximum in the amount of 10% of the registered capital. The company shall replenish the reserve fund annually in the amount of 5% of the net profits reported in the ordinary individual financial statement until the reserve fund reaches 10% of the registered capital.

Material accounting policies**1**

The accompanying notes are an integral part of the financial statements

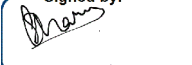
As per our report of even date

For B S R & Co. LLP

Firm Registration Number : 101248W/ W-100022

Chartered Accountants

Signed by:



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Partner

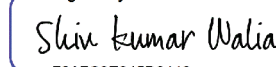
Membership Number: 521307

Gurugram, India

Date : 27-May-2025

For and on behalf of the Board of Directors of
HCL Technologies Slovakia s.r.o

Signed by:



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Director

Berkshire, UK

Date : 27-May-2025

HCL Technologies Slovakia s.r.o

Notes to financial statements for the period ended 31 December 2024

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

ORGANIZATION AND NATURE OF OPERATIONS

HCL Technologies Slovakia s.r.o (hereinafter referred to as "the Company") is primarily engaged in providing a range of IT and business services, engineering and R&D services and modernized software products and IP-led offerings. The Company is a subsidiary of HCL Technologies UK Limited. The company was incorporated in Slovakia on 22 March 2022 with company ID number 54 499 003 having registered at Dvořákovo nábrežie 4, Bratislava - mestská časť Staré Mesto 81102, Slovenská republika. The Company leverages its technology workforce and intellectual properties to deliver solutions across following verticals - Financial Services, Manufacturing, Life Sciences & Healthcare, Public Services, Retail & CPG, Technology & Services and Telecom, Media, Publishing and Entertainment.

The financial statements for the period ended 31 December 2024 were approved and authorized for issue by the Board of Directors on 27th May 2025.

1. MATERIAL ACCOUNTING POLICIES

a) Basis of preparation

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 (herein after referred as the "Act"). These Financial Statements have been prepared by the Company solely for the purpose of placing the audited financial statements of the Company along with the consolidated financial statements of HCL Technologies Limited ("the ultimate holding company") on the website of the ultimate holding company as required under Section 136 of the Act.

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

In the current year/period, the Company changed its financial reporting period from 'April - March' to 'January - December'. Accordingly, the current period's financial statements are presented for a period of nine months starting from 1st April 2024 to 31st December 2024. The previous year's figures relate to 12 months period ended on 31 March 2024 hence the current period's figures are not comparable to the previous year.

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

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 functional currency of the Company is EUR. All amounts are presented in thousands of 'EUR' rounded to whole number and amounts less than EUR 0.50 thousand are presented as "-"

b) Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires the management to make estimates and judgements 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 Technologies Slovakia s.r.o

Notes to financial statements for the period ended 31 December 2024

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

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

- Accounting for costs expected to be incurred to complete performance and determination of stand-alone selling prices for each distinct performance obligation in contracts involving multiple performance obligations, refer note 1(f)
- Allowance for uncollectible trade receivables, refer note 1(p)(i)
- Recognition of income and deferred taxes, refer note 1(h) and note 2.20
- Identification of leases and measurement of lease liabilities and right of use assets, refer note 1(k)
- Provisions and contingent liabilities, refer note 1(n)

c) Business combinations and goodwill

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

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

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

d) Foreign currency and translation

The financial statements of the Company are presented in EUR which is also the Company's functional currency. For each foreign operation, the Company determines the functional currency which is its respective local currency.

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

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

e) Fair value measurement

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

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

HCL Technologies Slovakia s.r.o

Notes to financial statements for the period ended 31 December 2024

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

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 at fair value are measured based on the following valuation techniques:

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

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

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

f) Revenue recognition

Revenue is recognized when, or as, control of a promised service or good transfers to a customer, in an amount that reflects the consideration (Transaction price) to which the Company expects to be entitled in exchange for transferring those products or services (Performance obligation). Revenue is recognized for any contract, once it is approved in writing, is legally enforceable, the rights of the parties are identified, payment terms are defined, the contract has commercial substance and collectability of consideration is probable. Revenue is measured based on the Transaction price which is the consideration of the contract and is shown net of applicable taxes and adjusted for any variable consideration like volume discounts, service level allowances, incentive or any other discount. Transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component.

Revenue from time-and-material, volume based, and transaction-based contracts is recognized as the related services are performed through efforts expended, units serviced, number of transactions processed, etc. that correspond with value transferred to customer.

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

In arrangements involving sharing of customer revenues for services delivered, revenue is recognized when the right to receive such revenue share is established.

HCL Technologies Slovakia s.r.o

Notes to financial statements for the period ended 31 December 2024

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

Revenue related to other fixed price contracts providing maintenance and support services, are recognized based on the right to invoice for services performed for contracts in which the invoicing is representative of the value being delivered. If invoicing is not consistent with value delivered, revenues are recognized basis stand-alone selling price for the service performed. The Company uses cost plus expected margin to determine stand-alone selling price.

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

When a sales arrangement contains provision of multiple products, services and software licenses, company identifies the distinct performance obligation including lease obligation and allocates total consideration to each performance obligation on a relative standalone selling price. Company uses cost plus expected margin to determine standalone selling price. Revenue from finance leases is recognized when all risks and ownership are transferred to the customer, with no remaining obligations that affect acceptance. Revenue is recognized at the fair value of the asset or, if lower, the present value of lease payments, discounted at a market interest rate. Interest from finance leases is recognized as other income on an accrual basis using the effective interest method.

In instances when revenue is derived from sales of third-party vendor services, material or licenses, revenue is recorded on a gross basis when the Company is a principal to the transaction and net of costs when the Company is acting as an agent between the customer and the vendor, once control of a promised good is transferred to a customer.

Revenue from certain activities in transition services in outsourcing arrangements are not capable of being distinct or represent separate performance obligation and is recognized over the period of the arrangement. Direct and incremental costs in relation to such transition activities which are expected to be recoverable under the contract are considered as contract fulfillment costs and classified as Deferred contract cost and recognized over the period of arrangement. Certain upfront non-recurring incremental contract acquisition costs and other upfront fee paid to customer are deferred and classified as Deferred contract cost and amortized to revenue, usually on a straight-line basis, over the term of the contract.

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

Contract assets are recognized when revenue recognized is more than billing and right to consideration is conditional upon factors other than the passage of time. Unbilled receivables are recognized where the right to consideration is unconditional and only the passage of time is required before the payment is due (i.e., only act of invoicing is pending). Contract liability is Company's obligation to transfer goods or services to customers when there is excess billing over the revenue recognized.

g) Other income

Other income mainly comprises interest income on bank and other deposits and net foreign exchange gains.

h) Income taxes

Income tax expense comprises current and deferred income tax.

HCL Technologies Slovakia s.r.o

Notes to financial statements for the period ended 31 December 2024

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

Income tax expense is recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Provision for income tax includes the impact of provisions established for uncertain income tax positions. 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 recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets and liabilities are recognized for those temporary differences which originate during the tax holiday period and are reversed after the tax holiday period. For this purpose, reversal of timing differences is determined using first-in-first-out method. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

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

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

i) 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.

All other 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 live of asset for computing depreciation is as follows:

<u>Asset description</u>	<u>Asset life (in years)</u>
Laptop	5

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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.

j) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is measured at their fair value at the date of acquisition. Subsequently, following initial recognition, intangible assets are carried at cost less any accumulated amortization and 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>
Customer-related intangibles (includes customer contracts and customer relationships)	2 to 10

k) Leases*Company as a lessee*

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

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

Right-of-use asset represents the Company's right to control the underlying assets under lease and the lease liability is the obligation to make the lease payments related to the underlying asset under lease. Right-of-use asset is measured initially based on the lease liability adjusted for any initial direct costs, prepaid rent, and lease incentives.

Right-of-use asset is depreciated based on straight line method over the lease term or useful life of right-of-use asset, whichever is less. Subsequently, right-of-use asset is measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of lease liability.

The lease liability is measured at the lease commencement date and determined using the present value of the minimum lease payments not yet paid and the Company's incremental borrowing rate, which approximates the rate at which the Company would borrow, in the country where the lease was executed. The Company has used a single discount rate for a portfolio of leases with reasonably similar characteristics. The lease payment comprises fixed

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payment less any lease incentives, variable lease payment that depends on an index or a rate, exercise price of a purchase option if the Company is reasonably certain to exercise the option and payment of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate the lease. Lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payment made and re-measuring the carrying amount to reflect any reassessment or modification, if any.

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

l) Inventories

Stock-in-trade, stores and spares are valued at the lower of the cost or net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

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

m) Impairment of non – financial assets*Goodwill*

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

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

Intangible assets and property, plant and equipment

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

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recognized. Such impairment and any subsequent reversal is recognized under the head "Depreciation and amortization expense" in the statement of profit and loss.

n) Provisions and contingent liabilities

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

The Company uses significant 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.

o) Retirement and other employee benefits

- i. In respect of superannuation, a defined contribution plan for applicable employees, the Company contributes to a scheme administered on its behalf by appointed fund managers and such contributions for each year of service rendered by the employees are charged to the statement of profit and loss. The Company has no further obligations to the superannuation plan beyond its contributions.
- ii. Compensated absences: The employees of the entity 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.
- iii. Contributions to other defined contribution plans are recognized as expense when employees have rendered services entitling them to such benefits.

p) Financial Instruments

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

i) Financial assets

All financial assets are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition of 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

Cash and cash equivalents in the balance sheet comprise cash in banks, which are subject to an insignificant risk of changes in values.

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

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, unbilled receivables, trade and other receivables.

Financial assets 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 asset 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. Interest income is recognized in statement of profit and loss for debt instruments. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from OCI to statement of profit and loss.

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

Equity investments

All equity instruments are initially measured at fair value and are subsequently re-measured with all changes recognized in the statement of profit and loss. In limited circumstances, investments, for which sufficient, more recent information to measure fair value is not available cost represents the best estimate of fair value within that range.

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 statement of profit and loss.

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ii) Financial liabilities

All financial liabilities are recognized initially at fair value and, in the case of 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 and other payables.

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

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

Derecognition

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis to realize the assets and settle the liabilities simultaneously.

q) Earnings per share (EPS)

HCL Technologies Slovakia s.r.o is a limited liability company. As per the local Slovakian laws, a limited liability company does not issue any shares/ units. Therefore, EPS as per Ind AS 33 cannot be calculated.

r) Recently issued accounting pronouncements

As on 31 December 2024, there are no new standards or amendments to the existing standards applicable which has been notified by the Ministry of Corporate Affairs.

2. ACQUISITIONS

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

In December 2024, the Company signed an agreement to carve-out and acquire business related to customer relationships with global Communication Service Providers (CSPs) along with Engineering and R&D talent of Communications Technology Group (CTG) from HPE for EUR 5, payable in cash.

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The purchase price of EUR 5 has been preliminarily allocated based on management estimates to the acquired assets and liabilities as follows:

	Amount
Intangible Assets	10
Goodwill	26
Net working capital (Deferred Revenue)	(31)
Total purchase consideration	5

The resultant goodwill is primarily non-tax deductible and has been allocated to this entity since the entity as a whole is treated as cash generating unit (CGU). The acquisition will enable the Company to gain a portfolio of service offerings that include solutions and systems integration around Business Support Systems (BSS), network applications, service cloudification and data intelligence.

The table below shows the values and lives of intangible assets recognized on acquisition which will be amortized on straight line basis:

	Amount	Life (Years)
Customer relationships	8	9
Customer contracts	2	1.5
Total Intangible Assets	10	

The Company is in the process of making a final determination of the purchase price and fair value of assets and liabilities acquired. Finalization of such determination may result in certain adjustments to the above allocations.

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

3.1 Property, plant and equipment

The changes in the carrying value for the period ended 31 December 2024

	Computers
Gross block as at 1 April 2024	1
Additions	1
Disposal	-
Gross block as at 31 December 2024	2
Accumulated depreciation as at 1 April 2024	-
Depreciation	-
Disposal	-
Accumulated depreciation as at 31 December 2024	-
Net block as at 31 December 2024	2

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

	Computers
Gross block as at 1 April 2023	-
Additions	1
Disposal	-
Gross block as at 31 March 2024	1
Accumulated depreciation as at 1 April 2023	-
Depreciation	-
Disposal	-
Accumulated depreciation as at 31 March 2024	-
Net block as at 31 March 2024	1

3.2 Goodwill

The following table presents the changes in carrying value of goodwill based on identified CGUs, for the period ended 31 December 2024

	Goodwill on acquisition of business	Total
Opening balance as at 01 April 2024	-	-
Acquired through business combinations	26	26
Closing balance as at 31 December 2024	26	26

3.3 Other intangible assets

The changes in the carrying value for the period ended 31 December 2024

	Customer relationships	Customer contracts	Total
Gross block as at 1 April 2024	-	-	-
Acquired through business combinations	8	2	10
Disposal	-	-	-
Gross block as at 31 December 2024	8	2	10
Accumulated depreciation as at 1 April 2024	-	-	-
Depreciation	-	-	-
Disposal	-	-	-
Accumulated depreciation as at 31 December 2024	-	-	-
Net block as at 31 December 2024	8	2	10

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Notes to financial statements for the period ended 31 December 2024

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

3.4 Inventories

	As at	
	31 December 2024	31 March 2024
Inventories (valued at lower of cost and net realisable value)		
Stock in trade	162	98
Provision	(162)	(98)
	-	-

3.5 Trade receivables

	As at	
	31 December 2024	31 March 2024
Billed		
Unsecured, considered good (refer note below)	263	438
	263	438
Unbilled receivables from Related parties	770	129
	1,033	567

Note : Includes billed receivables from related parties amounting to EUR 145 as on 31 December 2024 (31 March 2024, EUR 393) (Refer note 3.22)

Trade receivables - current	Not Due	Outstanding as at 31 December 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	78	184	-	1	-	-	263
Unbilled receivables	770	-	-	-	-	-	770
							1,033

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	269	109	60	-	-	-	438
Unbilled receivables	129	-	-	-	-	-	129
							567

3.6 Cash and cash equivalents

	As at	
	31 December 2024	31 March 2024
Balance with banks	-	98
	-	98
Cash and cash equivalents consists of the following for the purpose of cash flow statement		
Cash and cash equivalents	-	98
Bank Overdraft (refer note 3.10)	(11)	-
	(11)	98

3.7 Other financial assets

	As at	
	31 December 2024	31 March 2024
Current		
Carried at amortized cost		
Security deposits	1	1
Amount recoverable from vendor	19	-
	20	1

3.8 Other current assets

	As at	
	31 December 2024	31 March 2024
Unsecured, considered good		
Advances other than capital advances		
Advance to employees	12	4
Others		
Prepaid expenses	1	-
Withholding and other statutory dues	70	19
	83	23

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3.9 Capital Contribution

	As at	
	31 December 2024	31 March 2024
Registered Capital		
Capital Contribution	180	180
Issued, subscribed and fully paid up		
Capital Contribution	180	180

Terms/ rights attached to equity shares

Each participant is entitled to vote in proportion to their ownership interest.

In the event of liquidation of the company, the participant 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 ownership interest held by the participants.

Reconciliation of capital contribution at the beginning and at the end of the financial year/period

	As at	
	31 December 2024	31 March 2024
Capital Contribution at the beginning	180	180
Add: Capital Contribution received during the year/period	-	-
Capital Contribution at the end of the year/period	180	180

Shares held by holding Company and/or their subsidiaries / associates:

Name of the participant	As at			
	31 December 2024	31 December 2024	31 March 2024	31 March 2024
	Capital Contribution	% Holding	Capital Contribution	% Holding
Capital Contribution				
HCL Technologies UK Limited	179	99.58%	179	99.58%

Details of participants holding more than 5 % Capital Contribution in the company:-

Name of the participant	As at			
	31 December 2024	31 December 2024	31 March 2024	31 March 2024
	Capital Contribution	% Holding	Capital Contribution	% Holding
Capital Contribution				
HCL Technologies UK limited	179	99.58%	179	99.58%

As per the records of the Company, including Memorandum of Association regarding beneficial interest, the ownership interest of shareholder's rights and obligations and corresponding participation in the net equity of the Company represented by HCL Technologies UK Limited is 99.99% and HCL Bermuda is 0.01%

Capital management

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

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Notes to financial statements for the period ended 31 December 2024

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3.10 Borrowings

	As at	
	31 December 2024	31 March 2024
Unsecured		
Bank overdraft	11	-
	11	-

Borrowing is not secured, and it is due to cash pooling arrangement at Company's Group level in Europe Region, whereby all companies within pool will be managed by bank as it is single account and requirement of immediate cash of one entity within pool can be met with balance of other entity within the same pool. Since the company's cash requirement are met through pool, hence it is shown as borrowings.

3.11 Trade payables

	As at	
	31 December 2024	31 March 2024
Trade payables	35	74
Trade payables-related parties	-	83
	35	157
Unbilled and accruals-others	112	196
Unbilled and accruals-related parties	181	6
	293	202
	328	359

Particulars	Not Due	Outstanding as at 31 December 2024 from the due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Trade payables	26	9	-	-	-	35
Unbilled and accruals	293	-	-	-	-	293
						328

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
Trade payables	157	-	-	-	-	157
Unbilled and accruals	202	-	-	-	-	202
						359

3.12 Other financial liabilities

	As at	
	31 December 2024	31 March 2024
Current		
Carried at amortized cost		
Accrued salaries and benefits:		
Employee bonuses accrued	27	11
Other Employee Costs	292	54
	319	65

3.13 Other current liabilities

	As at	
	31 December 2024	31 March 2024
Withholding and other statutory dues	51	13
	51	13

3.14 Provisions

	As at	
	31 December 2024	31 March 2024
Current		
Provision for leave benefits	44	33
	44	33

HCL Technologies Slovakia s.r.o**Notes to financial statements for the period ended 31 December 2024****(All amounts in thousands of euro except share data and as stated otherwise)****3.15 Revenue from operations**

	Period ended	Year ended
	31 December 2024	31 March 2024
Sale of services	2,497	1,410
Sale of hardware and software	27	439
	2,524	1,849

Disaggregate Revenue Information

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

	Period ended	Year ended
	31 December 2024	31 March 2024
Geography wise		
Europe	2,103	1,634
India	-	3
America	418	-
Others	3	212
	2,524	1,849

Remaining performance obligations

Remaining performance obligations are subject to variability due to several factors such as due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc. As at 31 December 2024, the aggregate amount of transaction price allocated to remaining performance obligations as per the requirements of Ind AS 115 was EUR 3,602 out of which, approximately 40% is expected to be recognized as revenues within one year and the balance beyond one year. These amounts are not adjusted for variable consideration allocated to remaining performance obligation, which are not probable. These amounts also exclude contracts for which we recognize revenues based on the right to invoice for services s performed and contracts where consideration is in the form of a sales-based or usage-based royalty promised in exchange for a license of intellectual property.

Contract liabilities :

	Period ended	Year ended
	31 December 2024	31 March 2024
Balance as at beginning of the year	-	-
Additional amounts billed but not recognized as revenue	8	-
Acquired through business combinations	31	-
Deduction on account of revenues recognized during the year/period	-	-
	39	-

	31 December 2024	31 March 2024
Contracted Price	2,524	1,849
Reduction towards variable consideration components	-	-
Revenue recognised	2,524	1,849

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3.16 Other Income

	Period ended	Year ended
	31 December 2024	31 March 2024
Interest Income		
-on bank and other deposits	1	2
	1	2

3.17 Changes in inventories of stock-in-trade

	Period ended	Year ended
	31 December 2024	31 March 2024
Opening stock	98	1
Less: Closing stock	162	-
	(64)	1

3.18 Employee benefits expense

	Period ended	Year ended
	31 December 2024	31 March 2024
Salaries, wages and bonus	580	504
Contribution to other employee fund	188	217
Staff welfare expenses	12	15
	780	736

3.19 Finance costs

	Period ended	Year ended
	31 December 2024	31 March 2024
Other interest costs and bank charges	7	9
	7	9

3.20 Other expenses

	Period ended	Year ended
	31 December 2024	31 March 2024
Rent	6	6
Travel & Conveyance	2	5
Legal and professional charges	44	65
Exchange differences (net)	7	15
Provision for inventory	64	-
Printing & Stationery	-	1
Others	-	1
Rates and taxes	-	20
	123	113

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Notes to financial statements for the period ended 31 December 2024

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

3.21 Income taxes

	Period ended	Year ended
	31 December 2024	31 March 2024
Income tax charged to statement of profit and loss		
Current income tax charge	91	52
Deferred tax charge (credit)	(36)	(37)
	55	15

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

	Period ended	Year ended
	31 December 2024	31 March 2024
Profit before income tax	262	49
Statutory tax rate	21%	21%
Expected tax expense	55	10
Permanent Difference	-	5
Total taxes	55	15
Effective income tax rate	21.0%	30.2%

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

	Opening balance	Recognized in profit and loss	Closing balance
Deferred tax assets			
Other Employee Costs	13	(6)	7
Inventory	20	14	34
Third Party Cost	-	25	25
Others	6	4	10
Gross deferred tax assets (A)	39	37	76
Gross deferred tax liabilities (B)	-	-	-
Net Deferred tax assets (A-B)	39	37	76

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

	Opening balance	Recognized in profit and loss	Closing balance
Deferred tax assets			
Other Employee Costs	1	12	13
Inventory	1	19	20
Others	-	6	6
Gross deferred tax assets (A)	2	37	39
Gross deferred tax liabilities (B)	-	-	-
Net Deferred tax assets (A-B)	2	37	39

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

3.22 Related party transaction

a) Related parties where control exists

- Ultimate Holding company : HCL Technologies limited
- Holding company : HCL Technologies UK limited

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

- Ultimate Holding company : HCL Technologies limited
- Holding company : HCL Technologies UK limited
- Fellow subsidiary : HCL America Inc.
- Fellow subsidiary : HCL Japan Limited
- Fellow subsidiary : HCL Technologies B.V.
- Fellow subsidiary : HCL Technologies Corporate Services Limited
- Fellow subsidiary : HCL Technologies Italy S.p.A.
- Fellow subsidiary : HCL Singapore Pte. Limited
- Fellow subsidiary : Axon Solutions (Shanghai) Co. Limited
- Fellow subsidiary : HCL Technologies Malaysia SDN BHD
- Fellow subsidiary : HCL Technologies Solutions GmbH
- Fellow subsidiary : HCL istanbul Bilisim Teknolojileri Limited sirketi
- Fellow subsidiary : HCL Australia Services Pty. Limited
- Fellow subsidiary : HCL (Brazil) Technologia Da Informacao EIRELI
- Fellow subsidiary : HCL Technologies Egypt Limited
- Fellow subsidiary : HCL Technologies Germany GmbH
- Fellow subsidiary : HCL Technologies Columbia S.A.S.
- Fellow subsidiary : HCL Technologies Estonia OU
- Fellow subsidiary : HCL Mexico S. de R.L.
- Fellow subsidiary : HCL Technologies Sweden AB
- Fellow subsidiary : C3i Services & Technologies (Dalian) Co., Limited
- Fellow subsidiary : HCL Technologies Belgium BVBA
- Fellow subsidiary : HCL Technologies Romania s.r.l.

c) Transactions with related parties during the year/period in the ordinary course of business

Particulars	Ultimate Holding Company		Holding Company		Fellow Subsidiaries	
	Period ended	Year ended	Period ended	Year ended	Period ended	Year ended
	31 December 2024	31 March 2024	31 December 2024	31 March 2024	31 December 2024	31 March 2024
Revenue	-	32	-	-	2401	1,424
Outsourcing cost	-	7	-	-	183	108

d) Outstanding balances with related parties

Particulars	Ultimate Holding Company		Holding Company		Fellow Subsidiaries	
	As at		As at		As at	
	31 December 2024	31 March 2024	31 December 2024	31 March 2024	31 December 2024	31 March 2024
Trade receivables	-	-	-	-	145	393
Unbilled receivable	-	-	-	-	770	129
Trade payables	-	-	-	-	-	83
Unbilled and accruals	-	-	-	-	182	6

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3.23 Operating Lease

The Company's significant leasing arrangements are in respect of operating leases for office spaces. The aggregate lease rental expenses recognized in the statement of profit and loss for the period ended 31 December 2024 amounts to EUR 6 (31 March 2024 EUR 6)

3.24 Segment Reporting

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

Revenue disaggregation as per geography is given in note 3.15

3.25 Financial instruments

a) Financial assets and liabilities

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

	Amortized cost	Total carrying value
Financial assets		
Trade receivables (including unbilled)	1,033	1,033
Cash and cash equivalents	-	-
Others (refer note 3.7)	20	20
Total	1,053	1,053
Financial liabilities		
Borrowings	11	11
Trade payables (including unbilled and accruals)	328	328
Others (refer note 3.12)	319	319
Total	658	658

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

	Amortized cost	Total carrying value
Financial assets		
Trade receivables (including unbilled)	567	567
Cash and cash equivalents	98	98
Others (refer note 3.7)	1	1
Total	666	666
Financial liabilities		
Trade payables (including unbilled and accruals)	359	359
Others (refer note 3.12)	65	65
Total	424	424

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(b) Financial risk management

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

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

Market risk

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

(i) Foreign currency risk

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

The exchange rate risk primarily arises from assets and liabilities denominated in currencies other than functional currency.

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

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

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

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

	Financial assets		Financial liabilities	
	31 December 2024	31 March 2024	31 December 2024	31 March 2024
USD/EUR	31	-	8	-

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's investments are primarily in fixed rate interest bearing investments. Hence the Company is not significantly exposed to interest rate risk. Hence, the Company is not significantly exposed to interest rate risk since the entity have no borrowing or FDs.

Credit risk

Financial instruments that potentially subject the company to concentration of credit risk consist principally of cash and bank balances, trade receivables (billed and unbilled). The cash resources of the Company are invested with 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 customers of the Company are primarily corporations based in the Europe and accordingly, trade receivables and unbilled receivables are concentrated in the respective countries. The company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of trade receivables and unbilled receivables.

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 has relied on funds raised through its participants in the form of capital contribution to source the funding requirements.

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 December 2024					
Borrowings	11	-	-	-	11
Trade payables	328	-	-	-	328
Other financial liabilities	319	-	-	-	319
Total	658	-	-	-	658

	Year 1 (Current)	Year 2	Year 3	Year 4-5 and thereafter	Total
As at 31 March 2024					
Trade payables	359	-	-	-	359
Other financial liabilities	65	-	-	-	65
Total	424	-	-	-	424

3.26 Ratio

Ratio	Numerator	Denominator	Units	Period ended	Year ended	%Variance
				31 December 2024	31 March 2024	
Current ratio	Current assets	Current liabilities	Times	1.39	1.37	1%
Debt equity ratio	Total debts	Total equity	Times	0.03	-	100%
Debt service coverage ratio	Earning availables for debt service	Total debt service	Times	24.38	-	100%
Return on equity ratio	Profit for the year/period	Average Equity	%	62.72%	16.42%	282%
Inventory turnover ratio	Cost of good sold	Inventories	Times	332.13	1385.41	-76%
Trade receivables turnover ratio	Revenue from operations	Average trade receivables	Times	3.15	4.80	-34%
Trade payables turnover ratio	Net credit purchases	Average trade payables	Times	4.24	4.15	2%
Net capital turnover ratio	Revenue from operations	Average working capital (refer note below 4)	Times	7.91	9.92	-20%
Net profit ratio	Profit for the year/period	Revenue from operations	%	8.19%	1.85%	342%
Return on capital employed	Earning before interest and taxes	Capital employed (refer note 5 below)	%	75.27%	26.26%	187%

Notes :

- (1) Total debts consists of borrowings
- (2) Cost of goods sold includes purchase of stock in trade and change in inventories of stock in trade
- (3) Net credit purchase includes purchase of stock-in-trade , change in inventories of stock-in-trade, outsourcing costs and other expenses
- (4) Working capital = current assets - current liabilities
- (5) Capital employed = Tangible net worth includes acquired goodwill and other intangibles assets + long term debt - deferred tax assets
- (6) Earning available for debt service = Net Profit after tax + Non cash operating expenses + Interest

Explanation where change in the ratio is more than 25%

- (1) Debt service coverage ratio - In current financial period, increase is due to borrowings in current period.
- (2) Debt equity ratio - In current financial period, increase is due to borrowings in current period.
- (3) Return on Equity (ROE) ratio has increased significantly due to a rise in profit, which amounted to EUR 205K during the period as compared to EUR 34K in the previous year.
- (4) Decrease in inventory turnover ratio is due to increase in inventory at the end of the period and decrease in sales of material as compared to previous year.
- (5) Trade receivables turnover ratio - In current financial period, trade recivables has increased consequently the ratio has decreased.
- (6) Net profit ratio increased in the current period as revenue and profits have increase during the year as compared to previous year
- (7) Increase in Return on capital employed is due to increase in Earning before interest and taxes as compared to previous year.

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Notes to financial statements for the period ended 31 December 2024

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

3.27 Subsequent event

The Company has evaluated all the subsequent events through 27th May 2025, which is the date on which these financial statements were issued, and no events have occurred from the balance sheet date through that date except for matters that have already been considered in the financial statements.

3.28 Commitments and Contingent Liabilities


There are no capital commitments and contingent liabilities.

As per our report of even date

For B S R & Co. LLP

Chartered Accountants

Firm Registration Number : 101248W/ W-100022

Signed by:

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Partner

Membership Number: 521307

Gurugram, India

Date : 27-May-2025

For and on behalf of the Board of Directors of

HCL Technologies Slovakia s.r.o

Signed by:

72A7C0E945D0446...
Shiv Kumar Walia
Director

Berkshire, UK

Date : 27-May-2025