

Report and Financial Statements

HCL EAS Limited

For the year ended 31 December 2024

Registered number: 06695589

HCL EAS Limited

Company Information

Directors	Mr. Shiv Kumar Walia Mr. Raghu Raman Lakshmanan Mr. Goutam Rungta
Registered number	06695589
Registered office	6 th Floor, 70 Gracechurch Street London EC3V 0XL United Kingdom
Independent auditor	KNAV Limited Hygeia building, Ground floor 66-68 College road Harrow, Middlesex HA1 1BE, United Kingdom
Banker	Deutsche Bank London Branch Winchester House 1 Great Winchester Street London EC2N 2DB

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Strategic report

For the year ended 31 December 2024

Introduction

The directors present their Strategic Report for the year ended 31 December 2024.

Principal activities

The Company's principal activity is to act as a holding company for the investment in the shares of companies providing services associated with IT and business services, engineering and research & development (R&D) services and services related to HCL Software.

The Company also provides a software license to a fellow group company.

Review of business

The results of the Company and its key performance indicators ("KPI") are as follows:

	Year ended 31 December 2024	Year ended 31 December 2023
	\$000	\$000
Turnover	2,675	2,814
Gross profit	601	920
Income from shares in group companies	230,541	13,496
Dividend accrued on preference shares to group company	13,742	19,021
Profit/(loss) for the year after tax	223,957	(2,018)
Carrying value of investments	<u>696,857</u>	<u>696,857</u>

Turnover represents license fee from software license provided to a fellow group company. The Company has received dividend income of \$230,541k during the year (Dec 2023 - \$13,496k) and the Company has recorded an accrual of dividend on preference shares to group company amounting to \$13,742k (Dec 2023 - \$19,021k).

During the year, 57,611,899 equity shares were issued at fair value of £5.99 per share having nominal value of £1 per share against the redemption of 433,699k preference shares of \$1 and preference dividend accrued on those preference shares of \$5,304k for the period January 2024 to May 2024.

As at 31 December 2024, the Company had net assets of \$706,029k (31 December 2023: \$43,020k). Shareholders' funds have increased during the year due to dividend received of \$230,541k and issuance of equity shares against redemption of 433,699k preference shares and its accrued preference dividend.

There are no non-financial KPI's that management monitor.

Future developments

The Company has generated revenue from existing customer and is exploring future growth opportunities from its existing customer. The Company is an investment entity and plans to invest further in its existing subsidiaries as and when required.

Principal risks and uncertainties

Besides investments, the Company principally engages in short term financial instruments and mitigates exposure to the associated risks of these instruments in connection with support from the enlarged group that it is a member of. The Company also closely monitors the results of its investments to determine whether the carrying values are appropriate.

Strategic report (continued)

For the year ended 31 December 2024

Financial instruments

The Company's operations expose it to a variety of financial instrument related risks such as foreign exchange risk, credit risk, investment impairment risk and liquidity risk. The Company has adequate controls in place that seek to minimise the adverse effects of these financial risks on the Company's financial performance.

1. Foreign exchange rate risk

Foreign exchange rate risk arises from future commercial transactions and recognised assets, investments and liabilities that are denominated in a currency, which is not the Company's functional currency. Most of the transactions of the Company are carried out in its functional currency. The ultimate parent company takes hedges to minimise the risk at the overall group level.

As per ultimate parent company's risk management policy, hedges are predominantly taken by ultimate parent company to hedge foreign currency risk. In certain cases, to address specific risks, hedges may be taken at subsidiary level. However, the Company does not undertake any hedges itself.

2. Credit risk

The Company has policies and procedures in place for the control and monitoring of its exposure to credit risk. The Company has a dedicated team that closely monitors receivable from fellow group company.

3. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and short term bank deposits. The directors do not see any significant liquidity risk involved. The Company also has an overdraft facility from its banker, which can be used as and if required.

Cash flow performance is monitored on an ongoing basis by the Board.

The Company has transactions with related parties during the year and also carries material balances due from and to related parties. Exposure to liquidity risk is managed by principally transacting with other wholly owned related parties under central group treasury management.

4. Investment impairment risk

The most significant financial instrument held by the Company is its investments in subsidiaries and other investments. The directors understanding of the risks associated with the investments held by the entity relate to the potential impairment of those investments. To identify any risk of impairment in a timely manner, the Company reviews the financial performance of its investments on a regular basis. To date, all investments have had a strong year and are not exhibiting indicators of impairment. This is expected to continue for the foreseeable future.

Strategic report (continued)

For the year ended 31 December 2024

Section 172(1) Statement

The Board of Directors determines the purpose and values of the Company. The primary role of the Board is that of trusteeship, to protect and enhance stakeholders' value through the strategic supervision of the Company, its subsidiaries and other investments.

The Company is controlled by the Board that exercises leadership, integrity and judgments, to achieve continuing prosperity and to act in the best interest of the Company. The Board plays a critical role of supervising the approach of the management who serves to achieve the short/long term interests of the shareholder and other stakeholders. The Board ensures that the Company complies with all relevant laws, regulations, governance practices, accounting, and auditing standards. It identifies key risk areas and key performance indicators of the Company's business and constantly monitors these factors.

The Board is entrusted with the ultimate responsibility of the management, general affairs, direction, and performance of the Company and has been vested with the requisite powers, authorities, and duties.

Directors' Responsibilities

The directors have an obligation to remain informed about the Company and its business, including the principal operational and financial objectives, strategies and plans of the Company, relative standing of the business segments within the Company and vis-a-vis the competitors of the Company, factors that determine the Company's success, results of operations and financial condition of the Company and its subsidiaries and business segments.

Board Decisions

The Board reviews the financial performance of the Company, approves annual accounts and other important items that require consideration and approval by the Board. The Company either through the Board meeting(s) or via written resolution(s) ensures that every director is involved in the decision making for these matters.

The agenda, for the meeting is circulated to Directors of the Company in advance. The long-term consequences of each decision are also taken into consideration while approving such agenda items by the Board.

Further, the Board acts in a way they consider would most likely be in the best interest of the Company considering the requirements of all stakeholders. The Directors aim to build positive relationships with stakeholders to help deliver long-term sustainable success of the Company.

The Board have the full support of the ultimate parent company viz. HCL Technologies Limited in developing the Company for the benefit of all stakeholders.

Further the engagement with other stakeholders is given below:

Employees

There are no employees in this entity.

Suppliers/ Service Providers

The Board recognizes the benefits of engaging with the suppliers/service providers and it endeavors to maintain constructive relationship with them. The Company's governance policies promote open communication and engagement with stakeholders, including suppliers and communities.

HCL EAS Limited

Strategic report (continued)

For the year ended 31 December 2024

Section 172(1) Statement (continued)

Customers

There are no customers in this company since this is an investment company.

Communities and the environment

Engagement with local communities is important to the Company's regional presence. Steps are taken to ensure that the Company is responsible for its own actions.

One of humanity's greatest challenges is climate change. It is also one of the biggest long-term threats for any business. As an environmentally responsible Company, we recognize our significant role in contributing to global environmental sustainability.

The ultimate parent company viz. HCL Technologies Limited ("HCLTech") conducts a climate related risk assessment every 3 years and have not identified any material climate related risk for our UK operation. HCLTech has implemented impactful 'Go Green' initiatives to protect the environment and embrace its responsibility for water and energy conservation.

HCLTech has outlined its corporate strategy to reduce HCLTech's greenhouse gas (GHG) emissions by half by FY30 compared to our baseline year of FY20 and achieve net zero emissions by 2040.

Detailed information on the above is available in the Sustainability Report of HCLTech. Link to the same is given below:

<https://www.hcltech.com/sustainability/sustainability-report-2024>

Government and regulators

The Board is committed to maintain the highest standards of ethics and compliance.

The desirability of the Company maintaining a reputation for high standards of business conduct

The Board adheres to the corporate governance code implemented at the ultimate parent company level viz. HCL Technologies Limited.

The need to act fairly as between members of the Company

HCL Bermuda Limited, along with its subsidiary HCL Technologies Austria GmbH holds the Company. The shareholder is regularly informed about performance, developments, and various initiatives taken by the Company.

This report was approved by the board of directors on 28 May 2025 and signed on its behalf.



Shiv Kumar Walia
Director



Goutam Rungta
Director

HCL EAS Limited

Directors' report

For the year ended 31 December 2024

The directors present their report and the financial statements for the year ended 31 December 2024.

Results and dividends

The profit for the year, after taxation, amounted to \$223,957k (Dec 2023: Loss - \$2,018k).

The Company has not made any political and charitable contributions during the year.

During the year, the Company did not declare any dividend on ordinary shares (Dec 2023 - Nil).

The outstanding preference shares as on 31 December 2024 carry a fixed coupon rate of 3.67% and are classified as financial liabilities. The dividends on these preference shares are recognized in the "Statement of profit and loss and other comprehensive income".

During the year, 57,611,899 equity shares were issued at fair value of £5.99 per share having nominal value of £1 per share against the redemption of 433,699k preference shares of \$1 and preference dividend accrued on those preference shares of \$5,304k for the period January 2024 to May 2024.

Directors

The directors who served during the year and to the date of approving the financial statements were

Mr. Shiv Kumar Walia

Mr. Goutam Rungta

Mr. Raghu Raman Lakshmanan

Future developments

Details of future developments are provided in the strategic report.

Going Concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons:

The directors have made an assessment of future cash flows for a period of at least 12 months from the date of approval of these financial statements which indicate that the Company will have sufficient funds to meet its liabilities as they fall due.

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Financial instruments

Details of financial instruments are provided in the strategic report.

Statement of engagement with employees

The Company has no employees given it is an investment company.

Statement of engagement with suppliers, customers and others in a business relationship with the company

Please refer to Section 172(1) statement in the Strategic report on pages 2, 3 & 4.

HCL EAS Limited

Directors' report (continued)

For the year ended 31 December 2024

Statement of carbon emissions in compliance with Streamlined Energy and Carbon Reporting (SECR)

The Company is a low energy user (consumption below 40,000 Kwh) and hence is exempt from reporting.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- each director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Reappointment of auditor

The Auditor, KNAV Limited are deemed to be reappointed under section 487(2) of Companies Act 2006.

This report was approved by the board of directors on 28 May 2025 and signed on its behalf.



Shiv Kumar Walia
Director



Goutam Rungta
Director

Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements

For the year ended 31 December 2024

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Independent Auditor's Report to the Members of HCL EAS Limited

Opinion

We have audited the financial statements of HCL EAS Limited (the 'Company') for the year ended 31 December 2024, which comprise the Statement of profit and loss and other comprehensive income, Statement of financial position, Statement of changes in equity and Notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards 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 ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Strategic Report, the Directors' Report and the Statement of Directors' Responsibilities, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent Auditor's Report to the Members of HCL EAS Limited

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 course of audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report to the Members of HCL EAS Limited

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 ISAs (UK) 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.

Extent to which the audit is capable of detecting irregularities, including fraud is detailed below:

We design our procedures so as to obtain sufficient appropriate audit evidence that the financial statements are not materially misstated due to non-compliance with laws and regulations or due to fraud and error.

We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations. The primary responsibility for prevention and detection of fraud rests with both those charged with governance of the entity and management.

Based on our understanding of the Company and the industry, discussions with the management, we identified Companies Act 2006, Financial Reporting Standard 102 and UK taxation legislation as having a direct effect on the amounts and disclosures in the financial statements.

As part of the engagement team discussion about how and where the Company's financial statements may be materially misstated due to fraud, we did not identify any area with an increased risk of fraud. Our audit procedures included:

- enquiry of management about the Company's policies, procedures and related controls regarding compliance with the laws and regulations and if there are any known instances of non-compliance;
- examining supporting documents for all material balances, transactions and disclosures;
- review of the minutes of the meetings conducted by the Board of Directors;
- enquiry of management of legal matters during the year and use of legal firms thereof;
- evaluation of the selection and application of accounting policies related to subjective measurements and complex transactions;
- analytical procedures to verify unusual or unexpected relationships;
- testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements; and
- review of accounting estimates for biases

Owing to the inherent limitations of an audit there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with ISAs (UK).

The potential effects of inherent limitations are particularly significant in case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organised schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

Independent Auditor's Report to the Members of HCL EAS Limited

A further description of our responsibilities for the audit of financial statements is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Amanjit Singh FCA (Senior Statutory Auditor)
For and behalf of KNAV Limited, Statutory Auditor

Hygeia Building
Ground Floor
66-68 College Road
Harrow
Middlesex
HAI IBE
Date: 29 May 2025
UAC: 2025-41-UK

Statement of profit and loss and other comprehensive income

For the year ended 31 December 2024

		Year ended 31 December 2024	Year ended 31 December 2023
	Note	\$000	\$000
Turnover	4	2,675	2,814
Cost of sales		<u>(2,074)</u>	<u>(1,894)</u>
Gross profit		601	920
Administrative expenses		(42)	(20)
Other operating (expense)/income		<u>(1,334)</u>	<u>1,065</u>
Operating (loss)/profit	5	(775)	1,965
Income from shares in group companies	8	230,541	13,496
Interest receivable and similar income	9	8,192	1,122
Interest payable and similar charges	10	(64)	(4)
Dividend accrued on preference shares to group company	11	<u>(13,742)</u>	<u>(19,021)</u>
Profit/(loss) before tax		224,152	(2,442)
Tax (expense)/benefit	12	<u>(195)</u>	<u>424</u>
Profit/(loss) for the year after tax		223,957	(2,018)
Other comprehensive income		-	-
Total comprehensive income for the year		<u><u>223,957</u></u>	<u><u>(2,018)</u></u>

The notes on pages 15 to 25 form part of these financial statements.

All amounts relate to continuing operations.

HCL EAS Limited
Registered number: 06695589

Statement of financial position

As at 31 December 2024

	Note	31 December 2024 \$000	31 December 2023 \$000
Fixed assets			
Investments	13	<u>696,857</u>	<u>696,857</u>
Current assets			
Debtors: amounts falling due within one year	14	247,854	13,323
Cash at bank	15	<u>621</u>	<u>1,567</u>
		248,475	14,890
Creditors: amounts falling due within one year	16	<u>(9,391)</u>	<u>(108,616)</u>
Net current assets/(liabilities)		<u>239,084</u>	<u>(93,726)</u>
Total assets less current liabilities		<u>935,941</u>	<u>603,131</u>
Creditors: amounts falling due after more than one year	17	<u>(229,912)</u>	<u>(560,111)</u>
Net assets		<u><u>706,029</u></u>	<u><u>43,020</u></u>
Capital and reserves			
Called up share capital	18	230,858	157,561
Share premium	19	365,755	-
Retained earnings/(losses)		<u>109,416</u>	<u>(114,541)</u>
Shareholders' funds		<u><u>706,029</u></u>	<u><u>43,020</u></u>

The financial statements were approved and authorised for issue by the board of directors and were signed on its behalf on 28 May 2025.



Shiv Kumar Walia
Director



Goutam Rungta
Director

The notes on pages 15 to 25 form part of these financial statements.

Statement of changes in equity

For the year ended 31 December 2024

	Share capital \$000	Share premium \$000	Retained losses/earnings \$000	Total Equity \$000
At 1 January 2023	157,561	-	(112,523)	45,038
Loss for the year	-	-	(2,018)	(2,018)
Total comprehensive income for the year	-	-	(2,018)	(2,018)
At 31 December 2023	<u>157,561</u>	<u>-</u>	<u>(114,541)</u>	<u>43,020</u>
At 1 January 2024	157,561	-	(114,541)	43,020
Profit for the year	-	-	223,957	223,957
Total comprehensive income for the year	-	-	223,957	223,957
Shares issued during the year at premium	73,297	365,755	-	439,052
At 31 December 2024	<u>230,858</u>	<u>365,755</u>	<u>109,416</u>	<u>706,029</u>

The notes on pages 15 to 25 form part of these financial statements.

Notes to the financial statements

For the year ended 31 December 2024

1. Company information

HCL EAS Limited is a private company, limited by shares, incorporated in United Kingdom. The registered office is 6th Floor, 70, Gracechurch Street, London, EC3V 0XL, United Kingdom.

2. Accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and Companies Act 2006 under the historical cost convention.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The Company's functional and presentational currency is US Dollars (\$). The financial statements are presented in round thousands.

The financial statements contain information about HCL EAS Limited as an individual company and are not consolidated financial statements. The Company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare group financial statements as it and its subsidiary undertakings are included in the group financial statements of its ultimate parent company, HCL Technologies Limited, a company incorporated in India, which are publicly available on <https://www.hcltech.com>.

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7;
- the requirements of Section 11 Basic Financial Instruments.

This information will be included in the consolidated financial statements of its ultimate parent company, HCL Technologies Limited and these financial statements could be obtained from the Companies registry in India or will be available on Company's website at <https://www.hcltech.com>.

2.3 Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons:

Notes to the financial statements

For the year ended 31 December 2024

2. Accounting policies (continued)

2.3 Going concern (continued)

The directors have made an assessment of future cash flows for a period of at least 12 months from the date of approval of these financial statements which indicate that the Company will have sufficient funds to meet its liabilities as they fall due.

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

2.4 Turnover

Turnover (license fee) is recognised from the lease of the ALPS software to fellow group company on the basis of "total chargeable policy count", being the number of policies invoiced by the fellow group company to clients in the financial year. License fee is chargeable on a "per policy" basis and is based on the pricing schedule prescribed in the leasing agreement.

2.5 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.6 Financial instruments

The Company enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like cash, trade and other accounts receivable and payable, loans to related parties and investments.

Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of profit and loss and other comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Notes to the financial statements

For the year ended 31 December 2024

2. Accounting policies (continued)

2.6 Financial instruments (continued)

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Preference shares classified as liability are measured at fair value, net of transaction costs.

2.7 Impairment of investments

At each reporting date, investments are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount is estimated and compared with its carrying amount. If the estimated recoverable amount (higher of fair value less cost to sell and value in use) is lower, the carrying amount is reduced to its estimated recoverable amount, and a provision for impairment loss is recognised immediately in the Statement of profit and loss and other comprehensive income.

If an impairment loss subsequently reverses, the carrying amount of the investment is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no provision for impairment loss been recognised for the investment in prior years. A reversal of a provision for impairment loss is recognised immediately in the Statement of profit and loss and other comprehensive income.

2.8 Foreign currency translation

The financial statements of the Company are presented in US Dollars (\$).

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. 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 recognised in the statement of profit and loss and other comprehensive income. 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.

Notes to the financial statements

For the year ended 31 December 2024

2. Accounting policies (continued)

2.8 Foreign currency translation (continued)

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. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

Transaction gains or losses realised upon settlement of foreign currency transactions are included in determining net profit for the year in which the transaction is settled. Turnover, expense 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.

2.9 Current and deferred taxation

Tax is recognised in the Statement of profit and loss and other comprehensive income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.10 Interest income

Interest income is recognised in the Statement of profit and loss and other comprehensive income using the effective interest method.

Notes to the financial statements

For the year ended 31 December 2024

2. Accounting policies (continued)

2.11 Finance costs

Finance costs are charged to the Statement of profit and loss and other comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

2.12 Dividend income

Dividend income is recognised when the entity’s right to receive payment is established.

3. Judgements in applying accounting policies and key resources of estimation uncertainty

The preparation of financial statements in conformity with FRS 102 requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, turnover, costs, expenses and other comprehensive income that are reported and disclosed in the financial statements and accompanying notes. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Significant estimates and assumptions are as follows:

Provisions against impairment of investments

Using information available at the balance sheet date, the Directors make assumptions on any indication that those investments have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected investment is estimated and compared with its carrying amount. If the estimated net worth amount is lower, the carrying amount is reduced to its estimated net worth amount.

No impairment is recorded in the current or prior year.

Changes in estimates are reflected in the financial statements in the period in which the changes are made. Actual results could differ from those estimates.

4. Analysis of turnover

Turnover represents the amounts derived from the lease of the ALPS software asset to a fellow group company. All turnover is generated within United Kingdom.

5. Operating (loss)/profit

The operating (loss)/profit is derived after charging/ (crediting):

	Year ended 31 December 2024 \$000	Year ended 31 December 2023 \$000
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	13	15
Exchange loss/(gain)	1,334	(1,065)

6. Employees

The Company has no employees.

Notes to the financial statements

For the year ended 31 December 2024

7. Directors' remuneration

In addition to being directors of the Company, the directors hold roles in the wider HCL group outside of the UK. Furthermore, all the HCL entities in the UK are viewed as one business unit and it is impracticable to identify accurately remuneration they receive for services to each entity separately. Therefore, directors' remuneration disclosure has not been included in these financial statements. Full remuneration of the directors is disclosed in the financial statements of HCL Technologies UK Limited, HCL America Inc and HCL Technologies Limited which are the companies that pay remuneration and their financial statements are publicly available on the website of its ultimate parent company, "HCL Technologies Limited".

The Company has no key management personnel other than the directors.

8. Income from shares in group companies

The Company received dividend income of \$230,541k (31 December 2023: \$13,496k) from Axon Group Limited, a subsidiary undertaking.

9. Interest receivable and similar income

	Year ended 31 December 2024 \$000	Year ended 31 December 2023 \$000
Interest receivable from group companies	369	1,065
Interest on current account and fixed deposits	7,823	57
	<u>8,192</u>	<u>1,122</u>

10. Interest payable and similar charges

	Year ended 31 December 2024 \$000	Year ended 31 December 2023 \$000
Interest on bank overdraft and bank charges	64	4
	<u>64</u>	<u>4</u>

11. Dividend accrued on preference shares to group companies

	Year ended 31 December 2024 \$000	Year ended 31 December 2023 \$000
Dividend accrued on preference shares	13,742	19,021
	<u>13,742</u>	<u>19,021</u>

Notes to the financial statements

For the year ended 31 December 2024

12. Tax on profit

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 25% (Dec 2023 - 25%). The differences are explained below:

	Year ended 31 December 2024 \$000	Year ended 31 December 2023 \$000
Corporation tax		
Current tax on profits for the year	195	-
Others	-	58
Adjustments in respect of previous periods	-	(482)
Total current tax	195	(424)

Factors affecting tax expense/(credit) for the year

	Year ended 31 December 2024 \$000	Year ended 31 December 2023 \$000
Profit/(Loss) before tax	224,152	(2,442)
Profit/(Loss) multiplied by standard rate of corporation tax in the UK of 25% (Dec 2023 -25%)	56,038	(610)
Effects of:		
Non-taxable dividend income	(57,635)	(3,374)
Non-deductible dividend expense	3,435	4,755
Adjustment in respect of previous periods	-	(482)
Adjustment of c/f losses for which no deferred tax asset was recognised	(1,643)	(771)
Others	-	58
Total tax for the year	195	(424)

The unrecognized deferred tax asset comprises:

	31 December 2024 \$000	31 December 2023 \$000
Tax losses	-	1,622
Decelerated capital allowances	98	119
	98	1,741

The directors considered in the previous year that it was less likely than not that there would be sufficient taxable profits in the future to realize the deferred tax asset in respect of losses carried forward and therefore no asset has been recognized in these financial statements.

Notes to the financial statements

For the year ended 31 December 2024

13. Investments

	31 December 2024	31 December 2023
	\$000	\$000
Cost at 1 January	696,857	696,857
Net book value 31 December	<u>696,857</u>	<u>696,857</u>

Subsidiary undertakings and other investments

The directors believe that the book value of investments is supported by their underlying net assets.

The following were direct subsidiary undertakings and other investments of the Company:

Name	Country of Incorporation	Class of shares	Holding	Principal activity	Registered address
Axon Group Limited	United Kingdom	Ordinary	100%	Holding Company	6 th Floor, 70 Gracechurch Street, London, EC3V 0XL, United Kingdom
HCL Technologies Philippines, Inc.	Philippines	Ordinary	100%	IT and IT Enabled Services	10F Six/NEO Building, 5th Avenue corner 26th Street, Crescent Park West, Bonifacio Global City, Taguig City 1634, Philippines
HCL Technologies France	France	Ordinary	100%	IT and IT Enabled Services	Liberty Tower, 17 place des reflets, 92400 Courbevoie, La Défense, France
Filial Espanola De HCL Technologies S.L.	Spain	Ordinary	100%	IT and IT Enabled Services	Paseo de la Castellana, 35, 2 Planta 28046 Madrid, Spain
HCL Muscat Technologies LLC [^]	Oman	Ordinary	0.06%	IT and IT Enabled Services	PO Box 29 PC 135, KOM, Sultanate of Oman
HCL Tech Belgium BVBA [^]	Belgium	Ordinary	0.001%	IT and IT Enabled Services	Lozenberg 18, 1932 Zaventem, Belgium
HCL Technologies S.A., Venezuela [^]	Venezuela	Ordinary	0.02%	IT and IT Enabled Services	Eddificio Atrium, Piso 3, Av. Venezuela, El Rosal, Caracas, Venezuela
HCL Technologies Egypt Limited [^]	Egypt	Ordinary	0.001%	IT and IT Enabled Services	Office No. 1941, 19th Floor, North Tower, Nile City Towers, Cornich El Nile, Cairo Governorate, Arab Republic of Egypt.
HCL Technologies Thailand [^]	Thailand	Ordinary	0.001%	IT and IT Enabled Services	89, AIA Capital Center, 20/F, Room 2005-2007, Ratchadapisek Road, Kwaeng Dindaeng, Bangkok, 10400.

Notes to the financial statements

For the year ended 31 December 2024

13. Investments (continued)

Key:

^ Balance shares are wholly owned within HCL group.

There is no change in percentage of holdings of subsidiary undertaking and other investments in comparison to previous year.

14. Debtors: amounts falling due within one year

	31 December 2024 \$000	31 December 2023 \$000
Amounts owed by group undertakings	1,722	13,323
Fixed deposits with bank	240,500	-
Accrued interest on fixed deposits	5,632	-
	<u>247,854</u>	<u>13,323</u>

Amounts owed by group undertakings can be analysed as follows:

	31 December 2024 \$000	31 December 2023 \$000
Amounts owed by group undertakings - loans	1,051	12,377
Amounts owed by group undertakings - other	671	946
	<u>1,722</u>	<u>13,323</u>

Loans due from group undertakings incur interest at various interest rates based upon SONIA/SOFR+ 50bps, are unsecured, and are repayable on due date.

15. Cash and cash equivalents

	31 December 2024 \$000	31 December 2023 \$000
Cash at bank	621	1,567
	<u>621</u>	<u>1,567</u>

16. Creditors: amounts falling due within one year

	31 December 2024 \$000	31 December 2023 \$000
Amounts owed to group undertakings	740	476
Accrued dividend on preference shares payable to group company	8,438	4,624
Accruals	18	16
Corporation tax	195	-
Preference shares	-	103,500
	<u>9,391</u>	<u>108,616</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

Notes to the financial statements

For the year ended 31 December 2024

17. Creditors: amounts falling due after more than one year

	31 December 2024 \$000	31 December 2023 \$000
Shares classified as debt		
Allotted, called up and fully paid		
229,912,499 (Dec 2023 - 560,111,199)		
Cumulative preference shares of \$1 each	<u>229,912</u>	<u>560,111</u>
	<u>229,912</u>	<u>560,111</u>

During the year, 57,611,899 equity shares were issued at fair value of £5.99 per share having nominal value of £1 per share against the redemption of 433,699k preference shares of \$1 and preference dividend accrued on those preference shares of \$5,304k for the period January 2024 to May 2024.

The terms and conditions attached with cumulative preference shares are

- The coupon rate of all preference shares outstanding as on 31 December 2024 is 3.67%. The preference shares outstanding as on 31 December 2023 carry coupon rate of 2.20% or 3.67%. The coupon rate of preference shares extended during the year was 5.82% and those preference shares have been redeemed and equity shares were issued against the payment of redemption amount.
- It is mandatory to pay the cumulative dividend to HCL Bermuda Limited till time of redemption. It means that in case there is loss in any year then the cumulative dividend shall be paid in year of profits and all cumulative dividend to be paid in any case on redemption.
- To extend the redemption date of various lots of issued preference shares for a further period of five years at time of redemption on case to case basis as agreed between the Company and HCL Bermuda.
- Redemption of all the cumulative preference shares is at the option of Company and there is no premium payable on redemption.

Number of preference shares	Redemption date	Remarks
5,000,000	29.04.2026	Redeemed during the year (early redemption as per point d above)
10,000,000	06.06.2026	Redeemed during the year (early redemption as per point d above)
20,000,000	12.07.2026	Redeemed during the year (early redemption as per point d above)
30,000,000	30.06.2024	These shares were extended during the year till 30 June 2024 but redeemed on 01 June 2024
60,000,000	30.06.2024	These shares were extended during the year till 30 June 2024 but redeemed on 01 June 2024
250,198,700	30.03.2025	Redeemed during the year (early redemption as per point d above)
20,000,000	01.11.2025	Redeemed during the year (early redemption as per point d above)
25,000,000	30.06.2027	Redeemed during the year (early redemption as per point d above)
13,500,000	30.06.2024	These shares were extended during the year till 30 June 2024 but redeemed on 01 June 2024
129,912,499	01.09.2027	Outstanding at 31 December 2024
40,000,000	30.06.2027	Outstanding at 31 December 2024
60,000,000	30.06.2027	Outstanding at 31 December 2024

Notes to the financial statements

For the year ended 31 December 2024

18. Share Capital

	31 December 2024 \$000	31 December 2023 \$000
Shares classified as equity		
Allotted, called up and fully paid		
159,455,856 (Dec 2023: 101,843,957) - ordinary shares of £1 each	<u>230,858</u>	<u>157,561</u>

During the year, 57,611,899 equity shares were issued at fair value of £5.99 per share having nominal value of £1 per share against the redemption of 433,699k preference shares of \$1 and preference dividend accrued on those preference shares of \$5,304k for the period January 2024 to May 2024.

19. Share premium

The share premium reserve includes proceeds from shares issued where proceeds have exceeded par value. During the year, the Company has issued 57,611,899 equity shares at a fair value of £5.99 per share including share premium of £4.99 per share.

20. Related party transactions

The Company has taken advantage of the exemption available in section 33 of FRS102 from disclosing transactions with related parties that are wholly owned by HCL Technologies Limited group, on the basis that 100% of the Company's voting rights are controlled within the group.

21. Controlling party

HCL Bermuda Limited, a company incorporated in Bermuda, along with its subsidiary HCL Technologies Austria GmbH, a company incorporated in Austria, holds the Company. The Company's ultimate parent undertaking and controlling party is HCL Technologies Limited, a company incorporated in India.

The largest and smallest group of undertaking that include the result of the Company headed by HCL Technologies Limited office at 806, Siddharth, 96, Nehru Place, New Delhi - 110019, India. The information is included in the consolidated financial statements of its ultimate parent company, HCL Technologies Limited as at 31 March 2025 and the consolidated financial statements are available to the public on the company's website at <https://www.hcltech.com>.