**HCL Technologies Azerbaijan Limited Liability Company**

Financial statements - IFRS

for the year ended 31st December 2025 and 31st December 2024

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# Independent Auditor's Report

## To the Board of Directors of HCL Technologies Azerbaijan Limited Liability Company

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of **HCL Technologies Azerbaijan Limited Liability Company** ("the Company"), which comprise the Balance Sheet as at 31 December 2025, and the Statement of Profit and Loss ( including other comprehensive income), Statement of changes in equity and Statement of cash flows for the year then ended, and notes, comprising of material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' 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, 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.

### Emphasis of Matter

We draw attention to Note 1 (a) to the financial statements, which explains that in view of suspension of business operations of the Company, the going concern assumption is not appropriate for the preparation of financial statements of the Company as at and for the year ended 31 December 2025. Accordingly, the financial statements of the Company have been prepared on a liquidation basis i.e. assets are measured at lower of carrying amount and estimated net realisable values and liabilities are stated at their estimated settlement amounts in the financial statements.

Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is 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, Management is 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 auditors' 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 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 ISAs, 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 an opinion on the effectiveness of the Company's internal control.

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

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

**Other Matters including 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 Companies Act, 2013. These financial statements are not the statutory financial statements of the Company. As a result, these financial statements may not be suitable for any other 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

Saurabh
Partner
Membership No. 536528
ICAI UDIN: 26536528SBEKLS8464

Place: Gurugram, India
Date: 1 April 2026

## HCL Technologies Azerbaijan Limited Liability Company

**Balance Sheet as at 31 December 2025**

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

| | Note No. | As at 31 December 2025 | As at 31 December 2024 | As at 01 January 2024 (Refer Note 1(a)) |
|---|---|---|---|---|
| **I. ASSETS** | | | | |
| **(1) Current Assets** | | | | |
| (a) Financial assets | | | | |
| (i) Trade receivables | 2.1 | - | 6 | 5 |
| (ii) Cash and cash equivalents | 2.2 | 147 | 12 | 16 |
| (b) Other current assets | 2.3 | - | 1 | - |
| **Total Current Assets** | | **147** | **19** | **21** |
| **TOTAL ASSETS** | | **147** | **19** | **21** |
| **II. EQUITY** | | | | |
| (a) Equity share capital | 2.4 | 78 | 78 | 78 |
| (b) Other equity | | 12 | (86) | (87) |
| **TOTAL EQUITY** | | **90** | **(8)** | **(9)** |
| **III. LIABILITIES** | | | | |
| **(1) Current Liabilities** | | | | |
| (a) Financial liabilities | | | | |
| (i) Borrowings | 2.5 | 21 | 21 | 21 |
| (ii) Trade payables | 2.6 | 33 | 3 | 8 |
| (iii) Others | 2.7 | 3 | 3 | 1 |
| **Total Current Liabilities** | | **57** | **27** | **30** |
| **TOTAL LIABILITIES** | | **57** | **27** | **30** |
| **TOTAL EQUITY AND LIABILITIES** | | **147** | **19** | **21** |

The accompanying notes are an integral part of the financial statements

## HCL Technologies Azerbaijan Limited Liability Company

**Statement of Profit and Loss and Other Comprehensive Income for the year ended 31 December 2025**

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

| | Note No. | Year ended 31 December 2025 | Year ended 31 December 2024 |
|---|---|---|---|
| **I Revenue** | | | |
| Revenue from operations | 2.8 | 27 | 30 |
| Other income | 2.9 | 1 | 2 |
| **Total income** | | **28** | **32** |
| **II Expenses** | | | |
| Outsourcing costs | | 1 | 1 |
| Finance costs | 2.10 | 2 | 2 |
| Other expenses | 2.11 | 63 | 28 |
| **Total expenses** | | **66** | **31** |
| **III (Loss)/Profit before tax** | | **(38)** | **1** |
| **IV Tax expense** | | **-** | **-** |
| **V (Loss)/Profit for the year** | | **(38)** | **1** |
| **VI Other comprehensive income** | | - | - |
| **VII Total Comprehensive (loss)/profit for the year** | | **(38)** | **1** |
| **Earnings per equity share of USD 45 each** | | | |
| Basic (in AZN) | 2.16 | (0.04) | 0.00 |
| Diluted (in AZN) | 2.16 | (0.04) | 0.00 |

The accompanying notes are an integral part of the financial statements

## HCL Technologies Azerbaijan Limited Liability Company

**Statement of Changes in Equity for the year ended 31 December 2025**

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

| | Number of Equity Shares | Equity share capital | Other Equity | | Total Equity |
|---|---|---|---|---|---|
| | | | Share application money | Reserve and surplus | |
| **Balance as at 01 January 2024** | **1,000** | **78** | | **(87)** | **(9)** |
| Profit for the year | | **-** | | **1** | 1 |
| **Total comprehensive profit for the year** | | **-** | | **1** | **1** |
| **Balance as at 31 December 2024** | **1,000** | **78** | | **(86)** | **(8)** |
| Share application money pending allotment (Refer Note 1) | | - | 136 | - | **136** |
| Loss for the year | | **-** | | **(38)** | (38) |
| **Total comprehensive loss for the year** | | **-** | | **(38)** | **(38)** |
| **Balance as at 31 December 2025** | **1,000** | **78** | **136** | **(124)** | **90** |

Note 1: As at 31 December 2025, the Company has received AZN 135,956 towards equity shares proposed to be issued at a price of USD 45 per share. The allotment of these shares is subject to completion of statutory approvals and is expected to be completed within the next financial year.

Management has assessed that the Company has no obligation to refund the amount and, accordingly, the balance has been classified as equity. The amount will be transferred to share capital upon allotment of shares.

The accompanying notes are an integral part of the financial statements

## HCL Technologies Azerbaijan Limited Liability Company

**Statement of Cash Flows for the year ended 31 December 2025**

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

| | Note No. | Year ended 31 December 2025 | Year ended 31 December 2024 |
|---|---|---|---|
| **A. Cash flows from operating activities** | | | |
| (Loss)/Profit before tax | | (38) | 1 |
| **Adjustments for :** | | | |
| Provision for bad debts written back | | (1) | (2) |
| | | **(39)** | **(1)** |
| **Net change in:** | | | |
| Trade receivables | | 6 | 1 |
| Other current assets | | 1 | (1) |
| Trade payables | | 31 | (5) |
| Other financial liabilities | | - | 2 |
| **Cash used in operations** | | **(1)** | **(4)** |
| Income taxes paid | | **-** | **-** |
| **Net cash used in operating activities (A)** | | **(1)** | **(4)** |
| **B. Cash flows from financing activities** | | | |
| Proceed from share application pending allotment | | 136 | - |
| **Net cash flow from financing activities (B)** | | **136** | **-** |
| **Net increase/(decrease) in cash and cash equivalents (A+B)** | | **135** | **(4)** |
| Cash and cash equivalents at the beginning of the year | | 12 | 16 |
| **Cash and cash equivalents at the end of the year** | 2.2 | **147** | **12** |

The accompanying notes are an integral part of the financial statements

## ORGANIZATION AND NATURE OF OPERATIONS

HCL Technologies Azerbaijan Limited Liability Company (hereinafter referred to as the 'Company') is primarily engaged in business of development, installation and implementation of software and management services. The Company was incorporated in Azerbaijan on 08 October 2019, having its registered office at AZ1010, Baku City Nasimi District, Pushkin Street 12/14 House no. 30.

The financial statements for the year ended 31 December 2025 were approved and authorized for issue by the Board of Directors on 31st March 2026.

## 1. Material Accounting Policies

### a) Basis of preparation

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The financial statements up to and for the year ended 31 December 2024 were prepared in accordance with the Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, notified under section 133 of the Companies Act, 2013 ('Act') and other relevant provisions of the Act.

As these are the Company's first financial statements prepared in accordance with IFRS, IFRS 1, "First-time Adoption of International Financial Reporting Standards", has been applied.

**Non-going concern basis**

During FY 2024-25, the Company suspended its business operations. Accordingly, the management of the Company believes that there is a significant doubt on the entity's ability to continue as going concern. Accordingly, the financial statements of the Company have been prepared on the basis that the fundamental accounting assumption of going concern is no longer appropriate. Accordingly, the financial statements of the Company have been prepared on a liquidation basis i.e. assets are measured at lower of carrying amount and estimated net realizable values and liabilities are stated at their estimated settlement amounts in the financial statements.

Preparation of financial statements on a basis other than going concern involves the company making estimates and assumptions that affect the reported amounts of assets and liabilities. Estimation is based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances and are continually re-valuated. Where appropriate, adjustments had been made to reduce the carrying value of asset to their estimated realizable value, to provide for any further liabilities which would arise, and classify long term liabilities and assets as current liabilities and assets.

These financial statements have been prepared for limited purposes for the use by the Company and the Ultimate Holding Company, HCL Technologies Limited. 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.

**Explanation of transition to IFRS**

These are the Company's first financial statements prepared in accordance with IFRS. For the year ended 31 December 2024, the Company prepared its financial statements in accordance with the Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, notified under section 133 of the Companies Act, 2013 ('Act') and other relevant provisions of the Act ('Previous GAAP').

For the year ended 31 December 2025, the Company prepared its financial statements in accordance with the International Financial Reporting Standard (IFRS).

The accounting policies set out in Note 1 have been applied in preparing financial statements for the year ended 31 December 2025, the comparative information for the year ended 31 December 2024 and the opening statement of financial position as at 01 January 2024 ('the Company's date of transition).

The Company has evaluated the requirements of IFRS 1 'First time adoption of IFRS' and other IFRS and determined that no adjustments were required to amounts reported previously in financial statements prepared in accordance with Previous GAAP and accordingly the opening IFRS statement of financial position disclosed as at 31 December 2024 and 1 January 2025 is the same as that presented under Previous GAAP.

Further, no adjustments were required to the statement of profit and loss and statement of cash flows under Previous GAAP and accordingly, no explanations are required on how the transition from previous GAAP to IFRSs affected the Company's financial position, financial performance and cash flows.
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 AZN. All amounts are presented in thousands of 'rounded to whole number and amounts less than '0.50 thousand are presented as "-".

**b) Use of estimates, judgements and assumptions**

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, costs, expenses and other comprehensive income (OCI) that are reported and disclosed in the financial statements and accompanying notes. These estimates are based upon management's best knowledge of current events, historical experience, actions that the Company may undertake in the future and on various other assumptions that are believed to be reasonable under the circumstances. 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.
Significant estimates, judgements and assumptions are used for, but not limited to,

i. Allowance for uncollectible accounts receivables, refer note 1(h)(i).

**c) Foreign currency transactions**

The financial statements of the Company are presented in its functional currency AZN. 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 their respective functional currency spot rates at the date 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 period in which the transaction is settled. Revenue, 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.

**d) 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 and in the principal or most advantageous market for that asset or liability.

In accordance with IFRS 13, assets and liabilities are to be measured based on the following valuation techniques:

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

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

c) Cost approach - Replacement cost method

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

**e) Revenue Recognition**

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.

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

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.

**f) Income Taxes**

Income tax expense comprises current and deferred income tax.

Income tax expense is recognized in the statement of profit or 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.

**f) Income taxes (continued)**

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. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognized subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognized in the statement of profit or loss.

In some tax jurisdictions, the amount of tax deductions on share based payments to employees are different from the related cumulative remuneration expenses. If the amount of the tax deduction (or estimated future tax deduction) exceeds the amount of the related cumulative remuneration expense, such excess amount of tax deduction and the associated tax benefit is recognized directly in retained earnings.

**g) Borrowing Cost**

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

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**h) Financial Instruments**

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

**i. Financial assets**

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

***Cash and cash equivalents***

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

**h) Financial instruments (continued)**

***Financial instruments at amortized cost***

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

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

***Financial instrument at Fair Value through Profit and Loss***

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

***Derecognition of financial assets***

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

***Impairment of financial assets***

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

**ii. Financial liabilities**

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

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

***Financial liabilities at fair value through profit or loss***

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. Changes in fair value of such liability are recognized in the statement of profit or loss.

***Financial liabilities at amortized cost***

The Group's financial liabilities at amortized cost, are initially recognized at net of transaction costs and includes trade payables, borrowings including bank overdrafts and other payables.

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

**h) Financial instruments (continued)**

*Derecognition*

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

**i) Earnings per share**

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

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

**j) Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise balances with banks.

**k) Recently issued accounting pronouncements**

**Amendments to IFRS 9 and IFRS 7 - Amendments to the classification and measurement of financial instruments**
In May 2024, the IASB issued amendments in IFRS 9 and IFRS 7, to clarify, the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system. The company will evaluate the impact of this new standard on its financial statements. The amendment is effective for the fiscal year beginning 1 January 2026.

**IFRS 18 - Presentation and Disclosure in Financial Statements**
In April 2024, the IASB issued a new standard IFRS 18, 'Presentation and Disclosure in Financial Statements' which will replace IAS 1, "Presentation of Financial Statements" with a focus on updates to the presentation of statement of profit and loss. The Company will evaluate the impact of this new standard on its financial statements. The amendment is effective for the fiscal year beginning 1 January 2027.

**IFRS 19 – Subsidiaries without Public Accountability: Disclosures**
In May 2024, the IASB issued a new standard IFRS 19, 'Subsidiaries without Public Accountability: Disclosures', which permits eligible subsidiaries to apply reduced disclosure requirements while continuing to apply the recognition and measurement principles of IFRS Accounting Standards. The objective of IFRS 19 is to reduce disclosure requirements for qualifying subsidiaries without compromising the quality of financial information provided to users.

In August 2025, the IASB issued amendments to IFRS 19, "Subsidiaries without Public Accountability: Disclosures", providing additional clarification and disclosure relief for eligible subsidiaries applying the reduced disclosure framework. The amendments do not affect the recognition or measurement principles applied by entities reporting under IFRS Accounting Standards.

The Company will evaluate the applicability and impact of this new standard on its financial statements. IFRS 19 is effective for the fiscal year beginning 1 January 2027.

**2.1 Trade Receivable**

| | As at | | |
|---|---|---|---|
| | 31 December 2025 | 31 December 2024 | 01 January 2024 |
| | (AZN) | (AZN) | (AZN) |
| Billed | | | |
| Unsecured, considered good | - | 1 | 4 |
| Impairment allowance for bad and doubtful debts | - | - | (3) |
| | - | 1 | 1 |
| Unbilled receivables | - | 5 | 4 |
| | **-** | **6** | **5** |

**2.2 Cash and cash equivalents**

| | As at | | |
|---|---|---|---|
| | 31 December 2025 | 31 December 2024 | 01 January 2024 |
| | (AZN) | (AZN) | (AZN) |
| Balances with banks | 147 | 12 | 16 |
| | **147** | **12** | **16** |

**2.3 Other current assets**

| | As at | | |
|---|---|---|---|
| | 31 December 2025 | 31 December 2024 | 01 January 2024 |
| | (AZN) | (AZN) | (AZN) |
| Other advances | - | 1 | - |
| | **-** | **1** | **-** |

**2.4 Share capital**

| | As at | | |
|---|---|---|---|
| | 31 December 2025 | 31 December 2024 | 01 January 2024 |
| | (AZN) | (AZN) | (AZN) |
| **Authorized** | | | |
| 1,000 Equity shares of USD 45 each | | | |
| **Issued, subscribed and fully paid up** | | | |
| 1,000 Equity shares of USD 45 each | 78 | 78 | 78 |
| | **78** | **78** | **78** |

**Terms / rights attached to equity shares**
The Company has only one class of shares referred to as equity shares having a par value of USD 45. Each holder of equity shares is entitled to one vote per share.

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

**Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period**

| | As at | | | |
|---|---|---|---|---|
| | 31 December 2025 | | 31 December 2024 | |
| | No. of shares | Amount in AZN | No. of shares | Amount in AZN |
| Number of shares at the beginning | 1,000 | 78 | 1,000 | 78 |
| Number of shares at the end | 1,000 | 78 | 1,000 | 78 |

**Shares held by holding Company:-**

| | As at | | | |
|---|---|---|---|---|
| | 31 December 2025 | | 31 December 2024 | |
| | No. of shares | % holding | No. of shares | % holding |
| **Equity shares of USD 45 each fully paid** | | | | |
| HCL Tehnologies UK limited, the holding company | 999 | 99.90% | 999 | 99.90% |
| HCL Bermuda Limited | 1 | 0.10% | 1 | 0.10% |

HCL Technologies Limited is the ultimate holding company of the entity. As per the records of the Company, including its register of shareholders/members received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.There are no bonus shares issued, no shares issued for consideration other than cash and no shares bought back immediately preceding the reporting date from date of incorporation.

**2.4 Share capital (continued)**

**Capital management**

The primary objective of the Company's capital management in prior periods was to support business continuity and growth while maximizing shareholder value. Capital requirements were historically determined based on annual operating plans, long-term strategic objectives, and investment needs, with funding largely met through internally generated operating cash flows.
However, during the current reporting period, management has formally decided to liquidate the Company, and this decision has been duly approved by the Management. Accordingly, the Company's capital management objectives have undergone a fundamental shift.

**2.5 Borrowings**

| | As at | | |
|---|---|---|---|
| | 31 December 2025 | 31 December 2024 | 01 January 2024 |
| | (AZN) | (AZN) | (AZN) |
| **Unsecured** | | | |
| **Short term borrowings** | | | |
| From related parties (refer note 2.15 (d)) | 21 | 21 | 21 |
| | **21** | **21** | **21** |

**2.6 Trade payables**

| | As at | | |
|---|---|---|---|
| | 31 December 2025 | 31 December 2024 | 01 January 2024 |
| | (AZN) | (AZN) | (AZN) |
| Trade payables | 2 | 3 | 1 |
| Trade payables-related parties (refer note 2.15 (d)) | 1 | - | 3 |
| Unbilled and accruals | 30 | - | 1 |
| Unbilled and accruals-related parties (refer note 2.15 (d)) | - | - | 3 |
| | 33 | **3** | **8** |

**2.7 Other financial liabilities**

| | As at | | |
|---|---|---|---|
| | 31 December 2025 | 31 December 2024 | 01 January 2024 |
| | (AZN) | (AZN) | (AZN) |
| Advances | - | 1 | - |
| Interest payable to related party (refer note 2.15 (d)) | 3 | 2 | 1 |
| | 3 | **3** | **1** |

**2.8 Revenue from operations**

| | For the year ended | |
|---|---|---|
| | 31 December 2025 | 31 December 2024 |
| | (AZN) | (AZN) |
| Sale of services | 27 | 30 |
| | **27** | **30** |

**Disaggregate revenue information**

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

| | For the year ended | |
|---|---|---|
| | 31 December 2025 | 31 December 2024 |
| | (AZN) | (AZN) |
| Azerbaijan | 2 | 3 |
| United Kingdom | 24 | 27 |
| | **26** | **30** |

**Remaining performance obligations**

Remaining performance obligations are subject to variability due to several factors such as terminations, change in scope of contracts, periodic revalidations of the estimates, economic factors (change in currency rates, tax laws etc.). As at 31 December 2025, the aggregate amount of transaction price allocated to remaining performance obligations as per the requirements of IFRS 15 was AZN Nil (31 December 2024 AZN 64, 1 January 2024 AZN 9). 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 performed and contracts where consideration in the form of a sales-based or usage-based royalty promised in exchange for a license of intellectual property.

**Contract balances**

Contract assets : A contract asset is a right to consideration that is conditional upon factors other than the passage of time. Contract assets are recognized where there is excess of revenue over the billings. The company does not have any contract assets as on 31 December 2025.

Contract liablities : A contract liability arises when there is excess billing over the revenue recognized. The company does not have any contract liabilities as on 31 December 2025.

**2.9 Other income**

| | For the year ended | |
|---|---|---|
| | 31 December 2025 | 31 December 2024 |
| | AZN | AZN |
| Provision for doubtful debts written back | 1 | 2 |
| | 1 | 2 |

**2.10 Finance Cost**

| | For the year ended | |
|---|---|---|
| | 31 December 2025 | 31 December 2024 |
| | AZN | AZN |
| Interest expenses on loan from related party (refer note 2.15 (c)) | 1 | 1 |
| Bank charges | 1 | 1 |
| | **2** | **2** |

**2.11 Other Expenses**

| | For the year ended | |
|---|---|---|
| | 31 December 2025 | 31 December 2024 |
| | AZN | AZN |
| Legal and professional charges | 62 | 28 |
| Other expenses | 1 | - |
| | **63** | **28** |

**2.12 Income Tax**

No tax provision/expense has been made/recognised for the year ended 31 December 2025 as the company has no taxable income.
No deferred tax assets has been recognized because there will be no future taxable profits against which we can recover that deferred tax assets.

**2.13 Segment reporting**

Operating segments are defined as components of an enterprise for which discrete financial information is available and whose their results are reviewed regularly by the chief operating decision maker (CODM), for allocation of resources and assessing performance.
The Company's ultimate holding company, HCL Technologies Limited's chief operating decision maker (CODM) reviews its results for allocation of resources and assessing performance by business segment comprising IT and Business Services, Engineering and R&D Services, and Products & Platforms segment. 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 2.8

**2.14 Financial assets and liabilities**

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

| Particulars | Amortized cost | Total carrying value |
|---|---|---|
| | (AZN) | (AZN) |
| **Financial assets** | | |
| Trade receivables | - | - |
| Cash and cash equivalents | 147 | 147 |
| **Total** | **147** | **147** |
| **Financial liabilities** | | |
| Trade payables | 33 | 33 |
| Borrowings | 21 | 21 |
| Others | 3 | 3 |
| **Total** | **57** | **57** |

**2.14 Financial assets and liabilities (continued)**

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

| Particulars | Amortized cost | Total carrying value |
|---|---|---|
| | (AZN) | (AZN) |
| **Financial assets** | | |
| Trade receivables | 6 | 6 |
| Cash and cash equivalents | 12 | 12 |
| **Total** | **18** | **18** |
| **Financial liabilities** | | |
| Trade payables | 3 | 3 |
| Borrowings | 21 | 21 |
| Others | 3 | 3 |
| **Total** | **27** | **27** |

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

**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) Financial risk management**

The Company is exposed to market 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.

**(ii) Foreign currency risk**

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

The exchange rate risk primarily arises from assets and liabilities denominated in curriences other than foreign curreny. An insignificant portion of Company's revenue is in other foreign currency while a large portion of costs are in AZN. The fluctuation in exchange rates in respect to AZN may not have potential impact on the statement fo 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 loss which is AZN 1 for the period ended 31 December 2025. Hence there are no material risk in the entity.

Non-derivative foreign currency exposure as of 31 December 2025 in major currency is as below which is shown in AZN'000:

| | Financial assets | | Financial liabilities | |
|---|---|---|---|---|
| | 31 December 2025 | 31 December 2024 | 31 December 2025 | 31 December 2024 |
| | (AZN) | (AZN) | (AZN) | (AZN) |
| USD/AZN | 1 | - | 1 | - |

**(iii) 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 exposure to the risk of changes in market interest rates arises on borrowings with floating interest rate.

**(iv) Credit risk**

Financial instruments that potentially subject the Company to concentration of credit risk consist principally of cash and bank balances and trade receivables. The cash resources of the Company are invested with banks after an evaluation of the credit risk.The entity 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. By their nature, all such financial instruments involve risks.

The allowance for lifetime expected credit loss on customer balance is as below:

| | As at | |
|---|---|---|
| | 31 December 2025 | 31 December 2024 |
| | (AZN) | (AZN) |
| Balance at the beginning of the year | - | 2 |
| Addition/(Reversal) during the year | - | (2) |
| **Balance at the end of the year** | - | - |

**2.14 Financial assets and liabilities (continued)**

**(v) 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 access to internal sources of funding to meet the financial obligations and maintain adequate liquidity for use in future.

Maturity profile of the company's financial liabilities based on contractual payments is as below: **(Amount in AZN)**

| | Year 1 (Current) | Year 2 | Year 3 | Year 4-5 and thereafter | Total |
|---|---|---|---|---|---|
| **As at 31 December 2025** | | | | | |
| Borrowings | 21 | - | - | - | 21 |
| Trade payables | 33 | - | - | - | 33 |
| Other financial liabilities | 3 | - | - | - | 3 |
| **Total** | **57** | **-** | **-** | **-** | **57** |
| **As at 31 December 2024** | | | | | |
| Borrowings | 21 | - | - | - | 21 |
| Trade payables | 3 | - | - | - | 3 |
| Other financial liabilities | 3 | - | - | - | 3 |
| **Total** | **27** | **-** | **-** | **-** | **27** |

**2.15 Related parties**

**a) Related parties where control exists**
HCL Technologies Limited, India (Ultimate holding company)
HCL Technologies UK Limited.(Holding company)
HCL Bermuda Limited

**b) Related parties with whom transactions have taken place during the year**
HCL Technologies Corporate Services Limited(Fellow Subsidiary)
HCL Technologies Bulgaria EOOD(Fellow Subsidiary)
HCL Technologies Belgium BVBA(Fellow Subsidiary)

**c) Transactions with related parties during the ordinary course of business** **(Amount in AZN)**

| | Revenue | Interest expense | Outsourcing Cost |
|---|---|---|---|
| **For the year ended 31 December 2025** | | | |
| Holding company | - | 1 | - |
| Fellow Subsidiary | 26 | - | 1 |
| **Total** | **26** | **1** | **1** |
| **For the year ended 31 December 2024** | | | |
| Holding company | - | 1 | - |
| Ultimate Holding company | 27 | - | 3 |
| **Total** | **27** | **1** | **3** |

**d) Outstanding balances of related parties** **(Amount in AZN)**

| | Unbilled receivables | Liability for expenses | Trade payables | Interest payable short term loans | Short term loan |
|---|---|---|---|---|---|
| **As at 31 December 2025** | | | | | |
| Ultimate Holding company | - | - | - | - | - |
| Holding company | - | - | 1 | 3 | 21 |
| Fellow subsidiaries | - | - | - | - | - |
| **Total** | **-** | **-** | **1** | **3** | **21** |
| **As at 31 December 2024** | | | | | |
| Ultimate Holding company | - | - | - | - | - |
| Holding company | - | - | - | 2 | 21 |
| Fellow subsidiaries | 3 | - | 1 | - | - |
| **Total** | **3** | **-** | **1** | **2** | **21** |

### 2.16 Earnings Per Share (EPS)

| Particulars | Year ended | |
|---|---|---|
| | 31 December 2025 | 31 December 2024 |
| | (AZN) | (AZN) |
| (Loss)/Profit for the year attributable to shareholders of the Company | (38) | 1 |
| Weighted average number of equity shares outstanding in calculating Basic | 1,000 | 1,000 |
| Weighted average number of equity shares outstanding in calculating Diluted EPS | 1,000 | 1,000 |
| Nominal value of equity shares (USD) | 45 | 45 |
| **Loss per equity share (AZN)** | | |
| - Basic | **(0.04)** | **0.00** |
| - Diluted | **(0.04)** | **0.00** |

### 2.17 Subsequent events

There have been no significant subsequent events since the year ended 31 December 2025 till the date of signing of the financials that would have material impact on the statement of financial position of the Company as shown in these financial statements.