

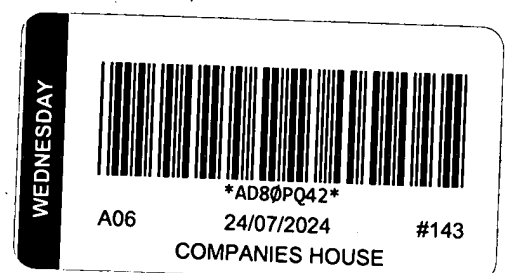
# Report and Financial Statements

## HCL Technologies UK Limited

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For the year ended 31 March 2024

Registered number: 08658132



HCL Technologies UK Limited

## Company Information

<b>Directors</b>	Mr. Shiv Kumar Walia Mr. Goutam Rungta Mr. Raghu Raman Lakshmanan
<b>Registered number</b>	08658132
<b>Registered office</b>	6 <sup>th</sup> Floor 70, Gracechurch Street London EC3V 0XL United Kingdom
<b>Independent auditor</b>	KNAV Limited Hygeia building Ground floor, 66-68 College Road Harrow, Middlesex HA1 1BE, UK
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HCL Technologies UK Limited

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HCL Technologies UK Limited

## Strategic report

For the year ended 31 March 2024

### Introduction

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

### Principal activities

The Company's principal activities are:

- 1) To provide services associated with IT and business services, digital engineering and R & D services and services related to HCL software; and
- 2) To act as a holding company for the investment in the shares of companies providing services associated with IT and business services, digital engineering and R & D services and services related to HCL software.

### Review of business

The results of the Company and its key performance indicators are as follows:

	31 March 2024	31 March 2023
	£000	£000
Turnover	797,931	772,818
Operating profit	11,293	17,664
Profit for the year	31,741	87,627
Carrying value of investments	327,223	127,329

The Company recorded turnover of £797,931k (March 2023 - £772,818k), registering increase in turnover of 3% during the year over the previous year. The turnover has increased mainly on account of new customer contracts entered by the Company and increase in revenue with the existing customers. Operating profit has decreased by £6,371k majorly due to increase in administrative expenses. During the year, the Company has provided for impairment of investments of £6,906k (March 2023 - £7,892k) and received dividend amounting to £28,289k (March 2023 - £74,930k). The profit for the year has been declined due to decrease in dividend received from group companies.

As at 31 March 2024, the Company had net assets of £394,438k (31 March 2023: £363,780k) owing to:

- further investments in subsidiaries, associates and other investments of £209,661k, which is offset by:
- disposal of other investments of £1,163k
- impairment of investment of £6,906k
- changes in fair value of other investments of £1,698k
- decrease in other bank balances by £126,000
- decrease in trade debtors by £10,739k due to realization of debtors in current year.

Non-financial indicators have been focused on customer acquisition and customer activity. Positive indicators of performance during the year include the significant improvements made across the business including:

1. Our business model is increasingly shifting from the traditional outsourcing to a non-linear model and growth has been triggered by the alternative outsourcing approach.
2. The Company's business relationships with its clients are being maintained with high standards. Engagement with clients is frequent at all levels of the Company's hierarchy to ensure a full understanding of the Company's clients' needs and to foster good client relations and governance.
3. Improvements made to the client onboarding journey.

HCL Technologies UK Limited

## Strategic report (continued)

For the year ended 31 March 2024

The commitment from the employees and management will ensure that the Company is able to accommodate significant future growth in both client acquisition and activity and ensure existing and future clients are able to enjoy maximum value from the services and products offered by HCL Technologies UK Limited.

Other performance indicators include the following:

1. The continued strengthening of the Board and other committees alongside other corporate governance upgrades; and
2. Enhancements to the risk management framework and risk reporting capabilities.

### Future Developments

The Company has generated good business, and the future growth opportunities in the Company are expected from existing as well as new customers. The Company's ability to grow customer relationships, particularly into large accounts, will be critical for its growth in coming years.

### Principal risks and uncertainties

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

Aside from investments, the Company principally engages in long term and 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.

#### 1. Employee related risk

##### Risk

In the IT industry, the ability to execute projects, build and maintain client partnerships and to achieve forecasted operating and financial results are significantly influenced by the organisation's ability to hire, train, motivate and retain highly skilled IT professionals.

##### HCL's Strategy

The business strategy "Employee First, Customer Second" directs us to retain the right skilled professionals at the right place, right time and right cost. Our continuous focus on diversity and local sourcing which will also help to mitigate exposure on some of the risks we are perceiving in attracting talent.

#### 2. Technology related risks

##### Risk

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

##### HCL's Strategy

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

HCL Technologies UK Limited

## Strategic report (continued)

For the year ended 31 March 2024

### 3. Competition related risks

#### Risk

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

#### HCL's strategy

The Company has been quick to respond to the changing competitive dynamics. Our business model is increasingly shifting from the traditional outsourcing to a non-linear model and growth has been triggered by the alternative outsourcing approach.

### 4. Business continuity and information security

#### Risk

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

#### HCL's strategy

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

### 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 that 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 take hedges to minimise risk at the overall group level.

As per ultimate parent company's risk management policy, hedges are predominately 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 undertake hedges itself.

HCL Technologies UK Limited

## Strategic report (continued)

For the year ended 31 March 2024

### 2. Credit risk

The Company has no significant concentrations of credit risk and the Company has a large number of customers that are based in the UK. It has policies in place to ensure that the provisions of consulting services are made to renowned customers or those with an appropriate credit history. The Company also 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 and follows up receivables from customers and provision for doubtful debts is created wherever required as per group policy.

### 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 also carries material balances due from and to related parties. Exposure to credit and 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. 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.

### 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 and its subsidiaries.

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 shareholders 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 monitor 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.

HCL Technologies UK Limited

## Strategic report (continued)

For the year ended 31 March 2024

### 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 act in a way they consider would most likely be in the best interests 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

The Company is committed in providing equal opportunities to all its employees, irrespective of race, religion, gender, colour, age, national origin, sexual orientation and physical ability, etc. and offers appropriate training and career development opportunities to its employees including disabled employees.

The Company is also committed to provide employees with information on matters of concern on a regular basis. The Company has various platforms to provide the information and to invite views and suggestions from employees to address their concerns.

Further, during the financial year under review no principal decision has been taken nor any policy has been formulated/modified which may have any adverse impact on the employees of the Company.

### 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 employees, customers, suppliers, and communities.

### Customers

The Company's business relationships with its clients are being maintained with high standards. Engagement with clients is frequent at all levels of the Company's hierarchy to ensure a full understanding of the Company's clients' needs and to foster good client relations and governance.

The Company promotes the culture of good customer outcomes whilst working with clients and others.

### 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.

HCL Technologies UK Limited

## Strategic report (continued)

For the year ended 31 March 2024

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/sites/default/files/document/open/FY2023\\_HCLTech\\_Sustainability\\_Report.pdf](https://www.hcltech.com/sites/default/files/document/open/FY2023_HCLTech_Sustainability_Report.pdf)

### **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. Please refer to the Corporate Governance section on page 24 in the Director Report.

### **The need to act fairly as between members of the company:**

The Company is wholly owned subsidiary of HCL Technologies Holding UK Limited. The shareholder is regularly informed about performance, developments, and various initiatives taken by the Company.

### **Non- financial and sustainability information statement**

#### **Making a Positive Impact in the UK for 25+ Years**

HCL Technologies Limited (HCLTech), the ultimate parent company, a global technology services and solutions company, has established a robust presence in the UK over the course of 26 years, since the inception of our operations in 1998. We have been recognized as a top employer in the UK for 19 consecutive years.

We take great pride in our partnership with some of the UK's largest organizations spanning various industries and strive to make a significant impact in the region, contributing to its ongoing growth and development.

At HCLTech, we bring the best of people and technology together, intertwining our success with the values we cherish. In addition, sustainability is at the heart of our operations, as we strive to make a positive impact on the environment and the communities we serve. Our dedication to investing in the region underscores our commitment to both our teams and the communities we serve, exemplified through our decade-long Corporate Social Responsibility (CSR) partnership with The Prince's Trust.

#### **Climate related financial disclosures**

We believe that sustainability is an ongoing journey that requires continuous improvement and adaptation. As part of our commitment to transparency and stakeholder engagement, we regularly review our material topics to ensure they remain relevant and responsive to the evolving needs and expectations of our stakeholders.

The 12 material topics were selected based on their significant impact on our business operations and the feedback we received from our stakeholders. During the finalization of the material topics, we conducted a diligent examination, employing a comprehensive bifocal lens that encompassed both risk and responsibility. This approach ensured that the process adhered to the principle of double materiality, considering the significance of these topics from multiple perspectives, both internal and external. This approach ensured comprehensive coverage of both financial and non-financial aspects.

## Strategic report (continued)

For the year ended 31 March 2024

We publish a detailed Sustainability Report every financial year which gives details about our initiatives, our goals and progress over the years. The annual report of HCLTech also contains a detailed section named Business Responsibility and Sustainability Report (BRSR) which is a mandate prescribed by the market regulator in India.

### Material topics

**Eco efficiency:** At HCLTech, we focus on resource optimization and efficiency while reducing the negative environmental impacts of our operations.

**Climate change:** Addressing, mitigating and adapting to climate-related risks while capitalizing on opportunities presented by climate action.

**Human capital:** Employees are our most valuable asset. Rapid change is a constant in the technology sector and we need to upskill and reskill our employees to deliver cutting edge solutions to our clients.

**Local hiring:** It is our responsibility to be part of the communities in which we operate. To address this, we invest in local talent and work with local academic partners.

**Diversity, equity, and inclusion (DEI):** Our DEI strategy has been designed to ensure that every employee feels included and valued. By fostering an environment free of bias, where equity and mutual respect are intrinsic, we are a result-oriented and caring organization that nurtures intellectual strength and produces innovative solutions from the synergy of our people.

**Talent acquisition and retention:** Our talent management plans don't just focus on attracting and retaining our skilled workforce, they develop the workforce, manage performance, transition talent to new leadership roles and make our workplace culture a competitive advantage.

**Work environment:** We ensure that our employees have the best-in-class facilities. We have also created robust systems to make sure that our employees work in a safe and healthy environment.

**Corporate citizenship:** We engage our employees in integrated community development projects, which creates transformative change among different communities and stakeholders

**Sustainable procurement:** To drive sustainability across our value chain, we have developed a procurement strategy that evaluates suppliers on specific Environmental, Social and Governance (ESG) dimensions and conducts programs that improve suppliers' knowledge of sustainability.

**Sustainable impact on clients:** As there is a growing recognition of the interdependence of digitalization and sustainability, we are ready to help our clients through our sustainable solutions.

**Governance and ethics:** We have established policies, mechanisms and processes that follow the highest standard of ethics. This has played a pivotal role in the credibility that the organization has generated over many years.

**Cybersecurity, data protection and system availability:** As cyber threats and security breaches become more advanced it is critical for us to have superior security systems and management plans.

We do have metrics to capture the progress we make across all these material topics. For example, on Climate Change we monitor our emissions and the emissions for our UK operations are as under.

Type of Emissions	Carbon emission (tCo2e)
Scope 1	9.6
Scope 2	65.1

## Strategic report (continued)

For the year ended 31 March 2024

- Scope 1 – direct emissions from sources owned or controlled by a Company.
- Scope 2 – indirect emissions from purchased electricity, steam, heat and cooling.

We have extended our support to the Task Force on Climate-Related Financial Disclosures (TCFD). We have a detailed section on page 16 to 20 in our Sustainability Report aligned to the TCFD.

### Non-financial matters:

#### (a) environmental matters (including the impact of the Company's business on the environment),

S.no	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk approach to adapt or mitigate
1	Climate change	Risk/Opportunity	<p>We have evaluated physical and transition risks to HCLTech's business operations. Clients, partners, and investors are increasingly demanding reduced emissions and potential carbon taxes. However, HCLTech sees climate action as a responsibility.</p> <p>We also have an opportunity to offer IT services to clients that can help reduce their carbon footprint, and we consider any of this opportunity lost as a risk.</p>	<p>HCLTech is committed to limiting greenhouse gas emissions to 1.5°C by 2030 and achieving net zero by 2040, with a clear roadmap. We have clear goals and target for long, medium and short term and we monitor and report this in our annual Sustainability Report.</p> <p>Since our base line of FY20, we have seen a 25% reduction in our combined Scope 1 and 2 emissions. Reflecting on our Science Based Targets Initiative (SBTI) approved target for 2030, we should have achieved a linear reduction of 20% for scope 1 &amp; 2 emission against our baseline year of FY 20. We have managed to achieve 5% more reduction in scope 1 &amp; 2 emission, which is a reflection of our focus and effort.</p> <p>The Company is investing in services to help clients and partners meet their climate change commitments and have identified projects to work with communities towards a climate resilient future.</p>

## Strategic report (continued)

For the year ended 31 March 2024

2	Eco-Efficiency	Risk and Opportunity	<p>Eco-efficiency is an opportunity for HCLTech to improve process efficiency while minimizing environmental damage.</p> <p>HCLTech has implemented various energy efficiency initiatives to reduce energy consumption, water consumption and waste minimization. Water and waste can also be linked to social license to operate in the communities we operate.</p>	<p>HCLTech has established monitoring and governance systems covering all eco-efficiency parameters, which are reviewed, and budgets are allocated for investments leading to performance improvement.</p> <p>The performance against all the eco-efficiency metrics are detailed in our annual Sustainability report.</p>
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### (b) the Company's employees

S.no	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk approach to adapt or mitigate
1	Human Capital	Risk and Opportunity	<p>HCLTech defines human capital as the skills, knowledge, and experience of an employee or team that are valuable to the organization. Constant upskilling and reskilling are crucial for delivering top services to clients, especially as the digital technology space expands.</p>	<p>HCLTech has a clear institutional mechanism to map future skillset requirements and has programs for upskilling and reskilling employees. These are measurements used to gauge the performance of the initiative which are reviewed periodically.</p> <p>The details and trend across the performance metrics is detailed in our sustainability report.</p>
2	Local Hiring	Opportunity	<p>In prioritizing the recruitment of local talent, HCLTech not only embraces the best-in-class practices but also strategically enhances talent retention. This approach serves as a visible indicator of the Company's commitment to the communities where it operates.</p>	<p>HCLTech has strategically broadened its office locations to encompass smaller cities, a move referred to as "New Vistas," while simultaneously implementing a hybrid workspace model to enhance opportunities for employees. This global initiative extends to investing in local talent within the countries where the Company maintains a presence.</p>

## Strategic report (continued)

For the year ended 31 March 2024

3	Diversity, Equity and Inclusion (DEI)	Risk and Opportunity	<p>The absence of robust DEI policies, could hamper an organization's ability to attract top talent. Recognizing the crucial role diversity plays in nurturing an innovative culture, the Company emphasizes the importance of diverse thought, ideas, and perspectives. Ample evidence supports the notion that DEI fosters stronger interpersonal connections and positively impacts creativity, problem-solving, and overall organizational success, thereby contributing to the formation of a more resilient organization.</p>	<p>HCLTech has established comprehensive policies, processes, and governance frameworks to oversee the effectiveness of its DEI strategy. A dedicated DEI and ESG Committee within the Board ensures a strategic emphasis on these matters. Clear goals and targets are delineated and seamlessly integrated into the performance evaluation criteria for leaders. Additionally, a specialized team is tasked with spearheading various initiatives aimed at advancing the Company's commitment to diversity, equity and inclusion.</p> <p>The details and trend across the performance metrics is detailed in our Sustainability Report and BRSR.</p>
4	Talent attraction and retention	Risk and Opportunity	<p>Navigating the growing demand for fresh talent presents both a notable risk and a distinctive opportunity for HCLTech. The global trend toward digitalization has exacerbated the shortage of skilled labor. Nonetheless, the Company perceives this as a chance to harmonize its workplace culture with prevailing global trends. By doing so, HCLTech aims to bolster employee loyalty and enhance efficiency.</p>	<p>HCLTech's strategic approach centers on cultivating the workplace of the future, characterized by a commitment to equality, fostering a collaborative and transparent culture, and implementing a comprehensive training strategy tailored to address the developmental requirements of employees across all hierarchical levels. The Company ensures progressive career pathways for its employees, offering internal growth opportunities.</p> <p>The details and trend across the performance metrics is detailed in our Sustainability Report and BRSR.</p>

## Strategic report (continued)

For the year ended 31 March 2024

### Breakdown of employees for UK and gender

In FY24, the total workforce expanded to 2,430 employees which excludes contract employees.

Age Grouping	Mar 24	Mar 23	Mar 22	Mar 21	Mar 20
Under 30	177	237	300	249	373
Male	122	172	204	165	244
Female	55	65	96	84	129
Unknown	-	-	-	-	-
30 to 50	1,533	1,649	1,709	1,574	1,674
Male	1,265	1,384	1,465	1,354	1,429
Female	268	265	244	220	244
Unknown	-	-	-	-	1
50+	720	607	602	429	337
Male	653	547	532	367	281
Female	67	60	70	62	56
Unknown	-	-	-	-	-
NA	-	-	1	1	1
Male	-	-	1	1	1
<b>Grand Total</b>	<b>2,430</b>	<b>2,493</b>	<b>2,612</b>	<b>2,253</b>	<b>2,385</b>

### (c) social matters

S.no	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk approach to adapt or mitigate
1	Citizenship	Opportunity	For HCLTech, corporate citizenship is not merely an opportunity but rather the foundation of the organization. It embodies the Company's commitment and responsibility to the communities in which it operates.	<p>The focus of HCLTech is underscored through initiatives of the HCL Foundation in India and various employee councils worldwide. These efforts not only benefit the recipients but also serve to showcase the Company as a credible organization worthy of association.</p> <p>The details and trend across the performance metrics is detailed in our Sustainability Report and BRSR.</p>

## Strategic report (continued)

For the year ended 31 March 2024

(d) respect for human rights

S.no	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk approach to adapt or mitigate
1	Work environment	Risk and Opportunity	Recognizing the significance of the work environment, HCLTech prioritizes both emotional and physical well-being of its employees. The Company integrates amenities such as well-designed workspaces, wellness areas, childcare facilities, and fitness centers into its office spaces. Equally important is fostering a safe environment where employees feel confident and supported in reporting any instances of discrimination or harassment.	<p>HCLTech prioritizes employee comfort through thoughtful design and planning of its office spaces. The Company maintains transparent policies and processes aimed at preventing discrimination and harassment within the workplace, which are regularly communicated to all employees. Encouraging a culture of accountability, employees are urged to promptly report any incidents they encounter. To proactively address issues, HCLTech employs tracking mechanisms to monitor and take preventive measures as necessary. Furthermore, the Company ensures independent investigations of reported incidents to uphold integrity and fairness.</p> <p>The details and trend across the performance metrics is detailed in our Sustainability Report and BRSR.</p>

## Strategic report (continued)

For the year ended 31 March 2024

### (e) anti-corruption and anti-bribery matters

S.no	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk approach to adapt or mitigate
1	Governance and ethics	Risk and Opportunity	Governance and Ethics form the bedrock of HCLTech's organizational culture. The Company meticulously designs its governance structure to instill ethical behavior across all levels. This robust governance framework, coupled with a strong ethical culture, fortifies the Company's sustainability over the long haul. As regulatory standards surrounding governance tighten, with increased emphasis on accountability, transparency, and fairness, HCLTech remains vigilant. The Company is dedicated to staying abreast of both current and forthcoming regulations to ensure full readiness for any regulatory shifts.	HCLTech maintains a comprehensive framework of policies, processes, and systems to uphold ethical conduct and robust governance standards. At the core of this framework lies the Code of Business Ethics and Conduct (COBEC), which serves as the primary document guiding the behavior of HCLTech employees in their business dealings. The Company also provides whistle-blowing channels and other reporting mechanisms to identify and address any challenges that may arise. Periodic reviews of these policies and practices are conducted by the Board through its Audit Committee.  Our anti-bribery and anti-corruption management system is certified against ISO 37001.

### Business model of the Company

Our Digital offerings deliver end-to-end solutions that boost business resilience, enhance operational efficiency and deepen client engagement. With HCLTech's Engineering and R&D Services (ERS), clients can improve time to profit, speed up product development and maximize return on innovation. Our CloudSMART services and offerings optimize cloud usage to accelerate innovation and agility at scale. Our HCLSoftware division develops, markets and supports software for digital transformation, data, analytics and insights, AI and automation and enterprise security.

HCLTech has a broad client base comprising various sectors, including financial services, consumer services, public services, life sciences and healthcare and manufacturing services. Through our products, we enable sustainable progress in the following industries: Financial Services, Life Sciences & Healthcare, Public Sector, Manufacturing and Consumer Services.

### Our business segments

#### 1. IT and Business Services (ITBS)

The ITBS segment plays a crucial role in HCLTech's strategy of providing next-generation digital transformation solutions that enable global enterprises to drive business transformation, agility, sustainability and client experience. ITBS comprises the following services:

- Digital Business Services enable organizations to adopt new technology architectures
- Digital Foundation Services (DFS) form the backbone of digital transformation journeys
- Digital Process Operations (DPO) helps clients adapt to the digital age

HCL Technologies UK Limited

## Strategic report (continued)

For the year ended 31 March 2024

- EdTech Business Services is a new addition to ITBS segment, focusing on providing enterprise solutions for talent acquisition and mobility.

### 2. Engineering and R&D Services

HCLTech provides engineering and R&D solutions to help our clients develop digital, sustainable and next-generation products and platforms.

### 3. HCL Software

We help our global clients fulfil their technological and industry-specific requirements by providing them with modernized software, which is tailored to their needs.

**Policies pursued in relation to Non- Financial matters and due diligence processes in relation to these policies:**

The policies implemented by HCLTech in relation to environmental matters, employee well-being, social responsibility, human rights and anti-corruption practices are given below. We are committed to conducting our business in a sustainable and ethical manner, minimizing our environmental impact, fostering a positive work environment and upholding the highest standards of corporate governance.

#### (a) Environmental Matters

- **Policy:** We have a comprehensive Environmental Sustainability Policy that prioritizes energy efficiency, resource conservation and waste reduction. Our goal is to minimize our carbon footprint and contribute to a greener future.

Environmental and Sustainability Policy: <https://www.hcltech.com/sustainability#policies>

Energy Policy: <https://www.hcltech.com/sites/default/files/documents/sustainability/EnMS-Policy-2022.pdf>

Procurement Policy: <https://www.hcltech.com/sites/default/files/documents/Procurement-Policy.pdf>

- **Due Diligence:**
  - We have a ISO 14001 certified Environmental Management System functioning.
  - We have set clear goals and targets and monitor performance against these goals and targets.
  - The performance and progress is reviewed quarterly by the ESG committee of the board.

#### (b) Employees

- **Policy:** We are committed to creating a safe, healthy and inclusive work environment for all employees. We uphold fair labor practices, equal opportunities and employee well-being initiatives.

Code of Business Ethics and Conduct: <https://www.hcltech.com/investors/governance-policies/cobecpdf>

Occupational Health & Safety Policy:

<https://www.hcltech.com/sites/default/files/documents/sustainability/OHS-Policy-2022.pdf>

Whistleblower Policy:

<https://www.hcltech.com/investors/governance-policies/whistleblowerpolicy.pdf>

Remuneration Policy: <https://www.hcltech.com/investors/governance-policies/rempolicy.pdf>

Human Rights Policy: <https://www.hcltech.com/sites/default/files/documents/inline-migration/human-rights-policy.pdf>

- **Due Diligence:**
  - We conduct regular independent third-party audits covering all elements of human rights.
  - We regularly conduct employee satisfaction surveys and implement programs to improve workplace well-being.
  - Our Occupational Health and Safety Management System is certified against ISO 45001.

## Strategic report (continued)

For the year ended 31 March 2024

### (c) Social Matters

- **Policy:** We recognize our responsibility to contribute positively to the communities we serve. We actively engage in social responsibility initiatives that address local needs.

CSR Policy: <https://www.hcltech.com/investors/governance-policies/csrpolicypdf>

- **Due Diligence:**
  - All CSR initiatives undergo regular internal and external audits.
  - All CSR projects undergo an impact evaluation exercise.

### (d) Respect for Human Rights

- **Policy:** We uphold the principles of the Universal Declaration of Human Rights and do not tolerate any form of human rights abuse within our operations or supply chain.

Human Rights Policy:

<https://www.hcltech.com/sites/default/files/documents/inline-migration/human-rights-policy.pdf>

Procurement Policy: <https://www.hcltech.com/sites/default/files/documents/Procurement-Policy.pdf>

- **Due Diligence:**
  - We conduct regular assessments to identify potential human rights issues within our operations and supply chain.

### (e) Anti-Corruption and Anti-Bribery Matters

- **Policy:** We have a zero-tolerance policy for corruption and bribery. We conduct our business ethically and with transparency.

Code of Business Ethics and Conduct:

<https://www.hcltech.com/investors/governance-policies/cobecpdf>

Anti-Bribery & Anti-Corruption policy:

<https://www.hcltech.com/investors/governance-policies/abacpdf>

Whistleblower Policy:

<https://www.hcltech.com/investors/governance-policies/whistleblowerpolicypdf>

- **Due Diligence:**
  - Our anti-bribery management system is certified against ISO 37001 and undergoes regular audits.
  - We provide regular anti-corruption training to all employees to ensure awareness of our policies and procedures.
  - We have a whistle blowing policy and any whistle blown is investigated and appropriate actions initiated.

### Outcome of policies

We monitor the outcome of effective implementation of the policies through various means. We do measure the effectiveness of implementation by monitoring some enabling metrics. For example, the policies related to environment, we look at the number of trainings we conducted for our employees and our value chain partners and the number of people who undertook the training. We also measure the outcome through the engagements we have with the stakeholders in relation to policies. This can be the number of ideas generated, number of people using channels of communication etc. We also monitor the incidents against the non-compliance of these policies.

HCL Technologies UK Limited

## Strategic report (continued)

For the year ended 31 March 2024

### Non-financial key performance indicators:

Each of the material topics in Non-financial matters (a) to (e) on page 7 to 12 has a set of indicators identified to track the progress we make. The performance against these indicators is elaborated in our BRSR and Sustainability Report.

### Assessment and disclosure to Task Force on Climate-Related Financial Disclosures (TCFD):

At HCLTech, we have a robust structure in place for the governance of climate-related matters. Being a business that prioritizes our responsibility towards sustainability, climate has been integrated into our overall business and accountability has been determined, across different levels. Our governance structure ensures that directors, senior management and employees are all included and participate in our efforts towards climate.

The Board's oversight of climate-related issues is through the ESG committee. The committee meets every quarter to review the progress. A central ESG team, within the office of the CEO, with a specialization in climate change has been created. The roles and responsibilities are established across the respective pathways to achieve our goals. Goals such as improving energy efficiency, increasing renewable energy in the energy mix, reducing emissions related to employee commutes and business travel, reducing emissions from purchased goods and service are included in the KPI's of the respective leaders.

Apart from the ESG Committee, the climate related risks are reviewed by the Risk Management Committee of the board and is also integrated into our ERM process. The climate related risks and the initiatives identified to respond also undergoes an internal audit process.

We launched our Sustainability School in November 2022 and the first course was a series of trainings on Climate Change. The course on climate change has a three-step learning process. The first set of modules explains the science and the impact of climate change. The second module is designed to learn how to act. The sessions include understanding of carbon footprint, ways of mitigating and adapting to prepare a road map towards net-zero. In the third module, we launched role-based learning, which helps our employees understand how to integrate the steps of mitigating and adapting to climate change in their professional role. There are separate modules for employees who work in IT, Finance, Risk, Marketing, Procurement etc. There is also a separate module on climate risk assessment. The complete climate change training has almost 12 hours of content and is open to all employees and Board members of HCLTech.

### Process for identification, assessment and management of climate-related risks and opportunities

We have started integrating climate change risks into each of these dimensions and business continuity planning solutions:

#### Step 1 - Risk identification:

Our risk identification process involves:

- Direct stakeholder engagement, which includes our management, employees, clients and suppliers.
- Secondary research through industry reports, global standards and trends.

#### Step 2 - Risk assessment and impact analysis

- We assess each risk identified through our climate scenario analysis. Determining the intensity and time horizon of effect of the identified risks allows us to prioritize the critical risks that need immediate action.
- We analyze the impact of each risk and opportunity on our business. We have further developed our impact analysis to include the financial impact of the risks on our business.

HCL Technologies UK Limited

## Strategic report (continued)

For the year ended 31 March 2024

### Step 3 - Risk mitigation

- We draft appropriate measures to be implemented for each identified risk, using quantifiable metrics to create accountability.
- We also set targets in relevant subjects such as energy efficiency, emissions reduction etc. as long-term goals to address the risks.
- We devise business solutions that help us capitalize on opportunities identified and would give us an edge over our competitors. We have set up processes to continuously review key metrics to measure and manage our climate related risks and opportunities.

### **Process for identifying, assessing and managing climate-related risks and its integration into the Company's overall risk management process**

Our enterprise risk management (ERM) framework uses a top-down approach to classify risks. This is integrated into our organizational strategy and helps shape our key business objectives. The framework also relies on active dialogue between the Board and the management team. This enables judicious oversight by the Board. We have conducted climate risk assessments, the outcome of which is currently being integrated into our ERM framework.

The Crisis and Resilience (C&R) Program falls under the purview of the Risk and Compliance function headed by the Head of Risk & Compliance of HCLTech. The C&R Program is guided by the Board, led by subject matter experts and is based on ISO 22301 standards and global best practices. We engage with ecosystem partners for real-time horizon scanning of risks and early warning signals. Our Crisis Management Framework provides an agile response, timely communication with internal and external stakeholders and recovery and restoration based on the rapidly evolving global threat landscape, which includes climate threats. Moreover, we have embedded a Resilience-by-Design philosophy in the company across different dimensions of the "new normal," including resilience in work, workforce, workplace, technology, supply chain and leadership.

### **Our climate risk assessment process**

Our process started with an initial assessment exercise to study which geographies will have a significant risk to impact our business from a climate risk perspective. This exercise narrowed down on 2 geographies which is India and US. All our other operations, including operations in UK did not come out significant from the initial assessment.

The assessment included evaluating the intensity of physical climate risks with different criteria such as:

- Criteria-1: Assets that are owned by the organization
- Criteria-2: Community assets (infrastructure and services)
- Criteria-3: Ensuring business continuity

We then conducted a comprehensive climate change risk assessment covering India and the US. As outlined by the TCFD, risks have been categorized into: (1) transition risks, linked to the transition to a low carbon economy and (2) physical risks linked to climate change.

The scenario selection was completed based on data sources from the Intergovernmental Panel on Climate Change (IPCC), the international Energy Agency's standard scenarios and a thorough internal stakeholder engagement.

## Strategic report (continued)

For the year ended 31 March 2024

To determine the risks, we have defined short term as less than 5 years, medium term as between 5 to 15 years and long term as beyond 15 years.

### Physical risk

While the risk related to heat waves is common across all locations for short, medium and long time frame, the risk related to water intrusion and coastal flooding and extreme weather events were identified for the medium to long time frame. The potential risks identified due to heat waves include increased electricity demand from grid, as well as health and wellbeing of our employees.

### Transition risks

We identified the transitional risk for our global business.

\* The surge of growing expectations from our clients and partners to help them chart their net zero journey is a risk as well as an opportunity. This stems out of the commitments they have related to reducing their carbon emissions.

\* The second risk is an opportunity for climate change related digital solutions, which if not capitalized, will result in an opportunity lost and a downside risk.

\* The third risk is a reputational risk from other stakeholders such as investors, employees etc.

While the first 2 are precipitating as short term risk, the reputation risk is reflecting as short-medium term risk.

**Actual and potential impacts of the principal climate related risks and opportunities on the Company's business model and strategy:**

Physical risk type	Impact to business	Time horizon	Management approach
Heatwaves and wildfires	<ul style="list-style-type: none"> <li>Employee health and wellbeing impacting productivity</li> <li>Higher reliance on public power grids which can be prone to frequent failures</li> <li>Increase in cooling loads increasing our operational costs</li> <li>Limited impact to assets</li> <li>HVAC and Chilled water- cooling systems design limitations will require more capital investments</li> </ul>	Short to mid- term	<ul style="list-style-type: none"> <li>Our Crisis and Resilience Program has been implemented to manage, respond and recover from disruptive events, including climate-related risks</li> <li>There are ongoing efforts with the latest and advanced monitoring systems to avoid potential server downtime</li> <li>Started monitoring the Power Usage Effectiveness (PUE) of our data centers and continue implementing action to improve the efficiency</li> <li>12.84 Mn sq ft of our green buildings are 'Platinum' LEED (Leadership in Energy and Environment Design) certified by the USGBC (US Green Building Council)/IGBC (Indian Green Building Council)</li> <li>Efforts in place to increase sourcing of renewable energy</li> <li>Launched an exhaustive employee health care program</li> </ul>

**Strategic report (continued)**

For the year ended 31 March 2024

Physical risk type	Impact to business	Time horizon	Management approach
Heatwaves and wildfires			<ul style="list-style-type: none"> <li>Invested in collaborative tools to facilitate a hybrid work environment.</li> </ul>
Saltwater intrusion, coastal flooding and water stress	<ul style="list-style-type: none"> <li>Sea level rise will cause salinization of land, damage to building structures due to corrosion and water stress due to salinity intrusion into freshwater aquifers</li> <li>Damage to assets, lowering of asset prices</li> </ul>	Long-term	<ul style="list-style-type: none"> <li>New assets, assets maintenance, asset upgrades etc, will start factoring in climate risk as part of the planning process</li> <li>A monitoring system is initiated to monitor the impact of climate change.</li> </ul>
Storms, hurricanes and tropical cyclones	<ul style="list-style-type: none"> <li>Some of our facilities may be at risk due to extreme rainfall, storms and tropical cyclones</li> <li>Potential risks may be in terms of business continuity, employee safety and health.</li> </ul>	Short to mid-term	<ul style="list-style-type: none"> <li>Our business continuity and crisis management programs are upgraded to include climate-related risks</li> <li>Launched an exhaustive employee health care program</li> <li>Invested in collaborative tools to facilitate a hybrid work environment.</li> </ul>

Transition risk type	Risk	Time frame	Management approach
Market risk	Clients and partners increasing expectations for environmental/social performance which include GHG emission reduction requirements	Short-term	<ul style="list-style-type: none"> <li>Started engaging with clients and partners to understand their expectation and communicating our efforts on a continuous basis.</li> <li>Transparent communication of our ESG performance, including performance in relation to GHG emissions.</li> <li>Collaborating with clients and partners to create a better impact.</li> <li>Working in a coalition towards bigger goals.</li> <li>Align our net zero target and 2030 targets to 1.5°C pathway (validated by SBTi, which is detailed out in the subsequent section of this report.)</li> <li>Training and skill development of employees on climate change.</li> <li>Investments planned to move our energy mix towards renewable energy.</li> <li>Investments for improved energy efficiency in our operations.</li> <li>Initiatives to reduce our carbon emissions.</li> </ul>

## Strategic report (continued)

For the year ended 31 March 2024

Transition risk type	Risk	Time frame	Management approach
Market risk	Clients seeking digital solutions in the transition to a low-carbon future / Continued and growing demand for green IT	Short-term	<ul style="list-style-type: none"> <li>Continue to diversify our offerings in terms of emission reduction, climate resilience and Green IT services:</li> <li>Investment into research and development of new services. Examples of services already launched are featured in the sustainability solutions section of this report.</li> <li>Working collaboratively with partners to evolve next-generation climate related solutions.</li> <li>Expanding the scope of innovation centers with clients to include climate change mitigation and adaptation pathways.</li> </ul>
Reputation risk	The increasing scrutiny of consumers, businesses and institutional investors on a company's environmental performance poses a reputational risk	Short to mid-term	<ul style="list-style-type: none"> <li>Ensuring effective transparency.</li> <li>Our commitment towards net zero, our goals and targets for 2030 as well as our performance against our targets.</li> <li>Regular engagement with all stakeholders to discuss our progress/ efforts in relation to climate change.</li> </ul>

### Resilience of the Company's business model and strategy taking into consideration different climate-related scenarios:

We have selected one scenario for the physical and another for transition risk assessment. The selected scenarios represent the most probable baseline for the future.

The selected scenarios are as given below:

- For transition risks - IEA ETP 2 Degree Scenario - The focus of Energy Transformation Pathways (ETP) is the 2°C Scenario (2DS), which describes an energy system consistent with an emissions trajectory that recent climate science research indicates would give an 80% chance of limiting global temperature increase to 2°C. The global power sector can reach net-zero CO2 emissions by 2060 under this scenario.
- For physical risks - IPCC defined RCP 4.5 - RCP 4.5 is described by the IPCC as an intermediate scenario. Emissions in RCP 4.5 peak around the year 2040, then decline. According to the IPCC, this is the most probable baseline scenario, considering the finite availability of non-renewable fuels. Global surface temperature change for the end of the 21st century (2081-2100) is projected to exceed 1.5°C in this scenario.

The results of the scenario analysis included a higher incidence of tropical cyclones, saltwater intrusion, coastal flooding, water stress and heat waves across cities. We reviewed our sensitivity to these hazards and adaptive capacity to mitigate these risks and identified vulnerable hotspots.

### Enhancing Resilience:

The above scenarios were used to consider disruptive events. To manage disruptive events including climate-related risks, our Crisis and Resilience Program ensures a systematic approach to crisis management and business continuity planning, strengthening our resilience. We diversify our offerings to include emission reduction, climate resilience, and Green IT services through investments in research and development of new services, exemplified by solutions featured in the sustainability solutions section. Collaboration with partners is key in evolving next-generation climate-related solutions, leveraging collective expertise and resources. Our innovation centers with clients now include climate change mitigation and adaptation pathways, fostering collaboration and co-creation of sustainable solutions.

HCL Technologies UK Limited

## Strategic report (continued)

For the year ended 31 March 2024

**Targets used by the Company to manage climate-related risks and to realize climate-related opportunities and of performance against those targets:**

One of humanity's greatest challenges is climate change. It is also one of the biggest long-term threats for any business. We must all move quickly to find solutions if we are to halt the rapid rise in global temperatures. We have outlined our global 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.

**Key goals under net zero roadmap**

- 50% reduction in absolute Scope 1 and 2 emissions by FY30 from baseline year of FY20
- 80% of electricity usage to be from renewable energy by 2030
- 42% reduction in absolute other carbon emission by FY30 from baseline year of FY20

**Alignment with Science Based Targets Initiative (SBTi)**

Our targets related to GHG emission reduction were validated by the SBTi to be aligned to a 1.5°C Pathway

**Key performance indicators used to assess progress against targets:**

The key performance indicators we use are absolute emissions under all 2 scopes. We also look at the specific emission against global revenue as an indicator of the efficiency of our performance. In all these key performance indicators we are against our targeted goals aligned with SBTi validation. The details are available in our Sustainability Report and BRSR.

This report was approved by the board of directors on 24 June 2024 and signed on its behalf by:



Shiv Kumar Walia  
Director



Goutam Rungta  
Director

HCL Technologies UK Limited

## Directors' report

For the year ended 31 March 2024

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

### Results and Dividends

The profit for the year, after taxation, amounted to £31,741k (March 2023 – £87,627k).

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

Dividend paid during the year, amounted to £10,440k (March 2023 – Nil).

### Directors

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

Raghu Raman Lakshmanan (Appointed w.e.f 5 October 2023)

Goutam Rungta (Appointed w.e.f 5 October 2023)

Shiv Kumar Walia

Ajit Kumar (Resigned w.e.f 13 October 2023)

Rahul Singh (Resigned w.e.f 13 October 2023)

### 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 12 months from the date of approval of these financial statements which indicate that the Company will have sufficient funds through its operations to meet its liabilities as they fall due for that period.

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

### Financial instruments

Details of financial instruments are provided in the strategic report.

### Employees

The Company is committed to its equal opportunity policy which follows best practice, based on equal opportunities for all employees, irrespective of race, religion, gender, colour, age, national origin, pregnancy, sexual orientation and physical ability, etc. and offers appropriate training and career development for disabled staff. The policy governs all areas of employment and includes apprenticeship, pre-apprenticeship, and/ or on the job training.

The Company is also committed to providing employees with information on matters of concern on a regular basis. The Company has various platforms to provide the information and to invite views and suggestions from employees to address their concerns.

Further, during the financial year under review no principal decision has been taken nor any policy have been formulated/modified which may have any adverse impact on the employees of the Company.

HCL Technologies UK Limited

## Directors' report (continued)

For the year ended 31 March 2024

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

SECR covering energy use and associated greenhouse gas emissions relating to gas, electricity and transport, intensity ratios and information relating to energy efficiency actions.

	31 March 2024	31 March 2023
Total energy use covering electricity, gas and transport (kWh)	2,868,362	2,955,410
Total emissions generated through combustion of gas (tCO <sub>2</sub> e)	64	148
Total emissions generated through use of purchased electricity (tCO <sub>2</sub> e)	250	278
Total emissions generated through business travel (tCO <sub>2</sub> e)	306	169
Total gross emissions (tCO <sub>2</sub> e)	620	595
Intensity ratio (total gross emissions) (tCO <sub>2</sub> e per 1000 sq. ft.)	10	9

#### Quantification and Reporting Methodology:

The boundaries of this report are based on operational control. We report our emissions with reference to the latest Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol). In accordance with the 2018 Regulations, the energy use and associated greenhouse gas emissions are for those within the UK only that come under the operational control boundary. Therefore, energy use and emissions are aligned with financial reporting for the UK subsidiaries and exclude the non-UK based subsidiaries that would not qualify under the 2018 Regulations in their own right. The 2023 UK Government GHG Conversion Factors for Company Reporting published by the Department for Energy Security and Net Zero are used to convert energy use in our operations to emissions of CO<sub>2</sub>e. Carbon emission factors for purchased electricity calculated according to the 'location-based grid average' method. This reflects the average emission of the grid where the energy consumption occurs. Data sources include billing, invoices and internal systems. We purchase 100% renewable electricity for our Belfast site and have included an additional net emissions figure calculated using market-based factors to account for this in our report above. Where electricity and gas data was unavailable, these figures have been benchmarked using floor area against the 2021 CIBSE factor for a standard air-conditioned office with typical gas and electricity usage. For electricity, this was applicable for the London Gracechurch, Watford, 1 Poultry & Queen Street sites. For gas this was applicable for Watford, Welwyn Garden City, 1 Poultry & Queen Street. For transport data where actual usage data (e.g. litres) was unavailable conversions were made using average fuel consumption factors to estimate the usage.

#### Energy Efficiency Action:

No specific energy efficiency actions have been taken for the reporting period ending March 2024.

HCL Technologies UK Limited

## Directors' report (continued)

For the year ended 31 March 2024

### Corporate Governance:

HCL Technologies Limited, India ("HCLT"), the ultimate parent company of HCL Technologies UK Limited ("the Company") is a listed company incorporated in India and is complying to the Corporate Governance Code applicable to it in accordance with the regulatory requirements of India.

The Company did not apply the corporate governance code as applicable for the larger entities in the UK as HCLT ["Overseas Parent"] applied an overseas code which is applicable throughout the group including this Company.

HCLT Corporate Governance code is applicable to all its subsidiaries including the Company and the same is accessible in English at:

[https://www.hcltech.com/investors/corporate-governance-hcl#corporate\\_governance](https://www.hcltech.com/investors/corporate-governance-hcl#corporate_governance)

The annual report of HCLT which includes a detailed corporate governance statement is accessible at Company's website - [www.hcltech.com](http://www.hcltech.com).

Synopsis of how the HCLT Corporate Governance Code applies to the governance arrangements in the Company and its directors is disclosed hereunder:

HCLT follows a vertical organizational structure wherein the CEO & MD and CFO of HCLT are responsible for adhering to the requirements of HCLT and all its subsidiaries including the Company.

HCLT has good governance which facilitates efficient, effective and entrepreneurial management that can deliver stakeholder value over long term. It is about commitment to values and ethical business conduct. HCLT has formulated many policies for enhancing the employees/ stakeholder value and adherence to the corporate governance requirements which are applicable to HCLT and all its subsidiaries including the Company. Few of them are mentioned below:

- Anti-bribery and Anticorruption Policy
- Prevention and Redressal of Sexual Harassment at Workplace Policy
- Whistle blower Policy
- Code of Business Ethics and Conduct [COBEC] etc.

Also, HCLT has in place various committees, procedures and mechanism for monitoring regulatory compliance for HCLT and all its subsidiaries including the Company.

The governance policies in place is available at:

<https://www.hcltech.com/investors/governance-policies>

The Board of the Company consist of 3 Directors out of which 1 is Executive Director and 2 are Non- Executive Director. Mr. Shiv Walia is executive Director while Mr. Goutam Rungta and Mr. Raghu Raman Lakshmanan are non-executive directors.

Statement of directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006 and Directors' Responsibility forms part of the Strategic Report of the Company.

The Company faces several risks of which prominent ones are mentioned in the Strategic report of the Company along with the Company's strategy to mitigate these risks. Further, Risk Management Committee of HCLT ensure the compliance related to the cyber security risk and other risk applicable to HCLT and all its subsidiaries including the Company.

HCL Technologies UK Limited

## Directors' report (continued)

For the year ended 31 March 2024

### Statement of engagement with suppliers, customers and others in a business

Please refer to the Section 172(1) statement in the Strategic Report on pages 4, 5 & 6.

### 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 24 June 2024 and signed on its behalf by:



**Shiv Kumar Walia**  
Director



**Goutam Rungta**  
Director

HCL Technologies UK Limited

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

For the year ended 31 March 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 Technologies UK Limited

## Opinion

We have audited the financial statements of HCL Technologies UK Limited (the 'Company') for the year ended 31<sup>st</sup> March 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<sup>st</sup> March 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.

Our evaluation of the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- assessment of management's intention to not liquidate the Company or cease the operations and their conclusion that there are no material uncertainties that would cast a significant doubt over the entity's ability to continue as a going concern.
- review of Company's going concern assessment prepared by management including inquiry procedures with management to understand the inputs to the assessment and their key considerations.

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.

# Independent Auditor's Report to the Members of HCL Technologies UK Limited

## **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.

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 or a material misstatement of the other information. 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 the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the 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 in relation to which 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 26, 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 is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## Independent Auditor's Report to the Members of HCL Technologies UK Limited

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.

### **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**

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 areas 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 in 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 of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with ISAs (UK).

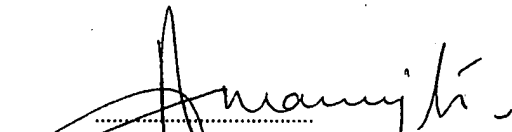
# Independent Auditor's Report to the Members of HCL Technologies UK Limited

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.

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](http://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 on behalf of KNAV Limited, Statutory Auditor

Hygeia Building  
Ground Floor  
66-68 College Road  
Harrow  
Middlesex  
HA1 1BE

Date: 25 June 2024

UAC: 2024-48-UK

HCL Technologies UK Limited

## Statement of profit and loss and other comprehensive income

For the year ended 31 March 2024

		Year ended 31 March 2024	Year ended 31 March 2023
	Note	£000	£000
Turnover	6	797,931	772,818
Cost of sales		(655,632)	(631,798)
<b>Gross profit</b>		<b>142,299</b>	<b>141,020</b>
Administrative expenses		(125,219)	(117,659)
Other operating expenses		(5,787)	(5,697)
<b>Operating profit</b>	7	<b>11,293</b>	<b>17,664</b>
Income from shares in group companies		28,289	74,930
Profit on sale of investments		210	-
Interest receivable and similar income	9	8,625	6,151
Interest payable and similar charges	10	(4,492)	(1,445)
<b>Profit before tax</b>		<b>43,925</b>	<b>97,300</b>
Tax on profit	11	(12,184)	(9,673)
<b>Profit for the year</b>		<b>31,741</b>	<b>87,627</b>
Other comprehensive income		-	-
<b>Total comprehensive profit for the year</b>		<b>31,741</b>	<b>87,627</b>

The notes on pages 34 to 58 form part of these financial statements

All amounts are related to continuing operations.

HCL Technologies UK Limited

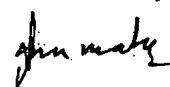
Registered number - 08658132

## Statement of financial position

As at 31 March 2024

	Note	31 March 2024 £000	31 March 2023 £000
<b>Fixed assets</b>			
Intangible assets	12	12,468	14,119
Tangible assets	13	6,613	9,194
Investment	14	327,223	127,329
		<u>346,304</u>	<u>150,642</u>
<b>Current assets</b>			
Stocks	15	1,903	411
Debtors: amounts falling due after more than one year	16	46,178	67,526
Debtors: amounts falling due within one year	16	251,722	262,668
Cash at bank	17	33,952	152,093
		<u>333,755</u>	<u>482,698</u>
Creditors: amounts falling due within one year	18	<u>(279,983)</u>	<u>(256,534)</u>
<b>Net current assets</b>		<u>53,772</u>	<u>226,164</u>
<b>Total assets less current liabilities</b>		<b>400,076</b>	<b>376,806</b>
Creditors: amounts falling due after more than one year	18	(5,175)	(12,563)
<b>Provision for liabilities</b>			
Other provisions	19	(463)	(463)
<b>Net assets</b>		<u>394,438</u>	<u>363,780</u>
<b>Capital and reserves</b>			
Called up share capital	21	215,292	206,619
Other reserves		(203)	(203)
Retained earnings		179,349	157,364
<b>Shareholder's funds</b>		<u>394,438</u>	<u>363,780</u>

The financial statements were approved and authorised for issue by the board of directors and were signed on its behalf on 24 June 2024.



Shiv Kumar Walia  
Director



Goutam Rungta  
Director

The notes on pages 34 to 58 form part of these financial statements.

HCL Technologies UK Limited

**Statement of changes in equity**

For the year ended 31 March 2024

	Share capital £000	Other reserves £000	Retained earnings £000	Total equity £000
As at 1 April 2022	154,609	(203)	69,722	224,128
Profit for the year	-	-	87,627	87,627
Total comprehensive income for the year	-	-	87,627	87,627
Shares issued during the year at par value	52,010	-	-	52,010
Excess tax benefit on Share based payment	-	-	15	15
Total transactions with the owners	52,010	-	15	52,025
As at 31 March 2023	206,619	(203)	157,364	363,780
As at 1 April 2023	206,619	(203)	157,364	363,780
Profit for the year	-	-	31,741	31,741
Total comprehensive income for the year	-	-	31,741	31,741
Shares issued during the year at par value	8,673	-	-	8,673
Share based payment to employees	-	-	(113)	(113)
Excess tax benefit on Share based payment	-	-	797	797
Dividend paid	-	-	(10,440)	(10,440)
Total transactions with the owners	8,673	-	(9,756)	(1,083)
As at 31 March 2024	215,292	(203)	179,349	394,438

The notes on pages 34 to 58 form part of these financial statements.

HCL Technologies UK Limited

## Notes to the financial statements

For the year ended 31 March 2024

### 1. Company Information

HCL Technologies UK Limited is a private company limited by shares incorporated in England. The registered office is at 6<sup>th</sup> 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 presentational and functional currency is Pounds Sterling (£). The financial statements are rounded to nearest thousand.

The financial statements contain information about HCL Technologies UK 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 at <https://www.hcltech.com>.

Previous year's figures have been regrouped or reclassified, wherever considered necessary, to conform with the current year's presentation.

#### 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 33.1A;
- the requirements of Section 11 Basic Financial Instrument.

This information is included in the consolidated financial statements of its ultimate parent company, HCL Technologies Limited as at 31 March 2024 and these financial statements may be obtained from the Companies registry in India and also available at 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:

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

## Notes to the financial statements

For the year ended 31 March 2024

### 2. Accounting policies (continued)

#### 2.3 Going concern (continued)

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

#### 2.4 Turnover

##### *Time-and-material / Volume based / Transaction based contracts*

Revenue with respect to time-and-material, volume based and transaction based contracts is recognized as the related services are performed through efforts expended, volume serviced and transactions processed, etc. that correspond with value transferred to customer till date basis the contracted rates.

##### *Fixed Price contracts*

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

Revenue related to other fixed price contracts providing maintenance and support services, are recognized over the period of contract in which the invoicing is representative of the value being delivered.

Revenue from product sales are shown net of sales tax and applicable taxes, discounts and allowances. Revenue related to product with installation services that are critical to the product is recognized when installation of product at customer site is completed and accepted by the customer. If the revenue for a delivered item is not recognized for non-receipt of acceptance from the customer, the cost of the delivered item continues to be in inventory.

##### *Proprietary Software Products*

Revenue from distinct proprietary perpetual and term license software is recognized at a point in time at the inception of the arrangement when control transfers to the client. Revenue from proprietary term license software is recognized at a point in time for the committed term of the contract. In case of renewals of proprietary 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. Revenue from these proprietary software products is classified under sale of services.

## Notes to the financial statements

For the year ended 31 March 2024

### 2. Accounting policies (continued)

#### 2.4 Turnover (continued)

##### *Multiple performance obligations*

To the extent a contract includes multiple promised deliverables, judgment is applied to determine whether promised deliverables are capable of being distinct and are distinct in the context of the contract. If these criteria are not met, the promised deliverables are accounted for as a combined performance obligation. For arrangements with multiple distinct performance obligations or series of distinct performance obligations, consideration is allocated among the performance obligations based on their relative standalone selling price. Standalone selling price is the price at which Company would sell promised good or service separately to the customer. When not directly observable, we estimate standalone selling price by using the expected cost plus a margin approach. We establish a standalone selling price range for our deliverables, which is reassessed on a periodic basis or when facts and circumstances change. If the arrangement contains obligations related to License of Intellectual property (Software) or Lease deliverable, the arrangement consideration allocated to the Software deliverables, lease deliverable as a group is then allocated to each software obligation and lease deliverable.

Revenue recognition for delivered elements is limited to the amount that is not contingent on the future delivery of products or services, future performance obligations or subject to customer-specified return or refund privileges.

Revenue from certain activities in transition services in outsourcing arrangements are not capable of being distinct or represent separate performance obligation. Revenues relating to such transition activities are classified as Deferred revenue and subsequently 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 and generate or enhance resources of the Company that will be used in satisfying the performance obligation in the future are considered as contract fulfilment costs 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 or cost, usually on a straight line basis, over the term of the contract unless revenues are earned and obligations are fulfilled in a different pattern. The undiscounted future cash flows from the arrangement are periodically estimated and compared with the unamortized costs. If the unamortized costs exceed the undiscounted cash flow, a loss is recognized.

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. Several factors are considered to determine whether the Company is a principal or an agent, most notably being Company controls the goods or service before it is transferred to customer, latitude in deciding the price being charged to customer. Revenue is recognized net of discounts and allowances, value-added and service taxes, and includes reimbursement of out-of-pocket expenses, with the corresponding out-of-pocket expenses included in cost of revenues.

## Notes to the financial statements

For the year ended 31 March 2024

### 2. Accounting policies (continued)

#### 2.4 Turnover (continued)

Volume discounts, or any other form of variable consideration is estimated using either the sum of probability weighted amounts in a range of possible consideration amounts (expected value), or the single most likely amount in a range of possible consideration amounts (most likely amount), depending on which method better predicts the amount of consideration realizable. Transaction price includes variable consideration only to the extent it is probable that a significant reversal of revenues recognized will not occur when the uncertainty associated with the variable consideration is resolved. Our estimates of variable consideration and determination of whether to include estimated amounts in the transaction price may involve judgment and are based largely on an assessment of our anticipated performance and all information that is reasonably available to us.

The Company recognizes an onerous contract provision 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 cost of revenues.

#### 2.5 Dividend income

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

#### 2.6 Intangible assets

##### Goodwill

Goodwill represents the difference between amounts paid on the cost and the acquirer's interest in the fair value of the identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the statement of profit and loss and other comprehensive income over its useful life of 10 years.

##### Other Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

The estimated useful life ranges as follows:

Customer relationship	-	4-5 Years
Customer contracts	-	3 Years

## Notes to the financial statements

For the year ended 31 March 2024

### 2. Accounting policies (continued)

#### 2.7 Tangible Fixed assets

Tangible fixed assets stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date, the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to statement of profit and loss and other comprehensive income during the year in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful life, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	-	1 - 7 years
Computer equipment	-	1 - 5 years
Furniture & fixtures	-	1- 7 years
Plant & Equipment	-	10 years
Software	-	3 years
Leased assets	-	As per period of contract

Advances paid towards the acquisition of property and equipment and cost of property and equipment not put to use before balance sheet date are classified as capital work-in-progress. Capital work in progress is not depreciated.

#### 2.8 Investments

Investments are measured at cost less accumulated impairment.

#### 2.9 Impairment of assets

At each reporting date, non-financial assets (tangible assets and 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 of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an 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 asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss and other comprehensive income.

## Notes to the financial statements

For the year ended 31 March 2024

### 2. Accounting policies (continued)

#### 2.10 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in statement of profit and loss and other comprehensive income.

#### 2.11 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, bank overdraft, loans to and from 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.

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 at bank and deposits (if any) 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, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

## Notes to the financial statements

For the year ended 31 March 2024

### 2. Accounting policies (continued)

#### 2.12 Deferred costs

Certain upfront non-recurring costs are incurred in the initial phase of outsourcing contracts and contract acquisition. Costs that are directly attributable to a contract are capitalised when it is virtually certain that the contract will be awarded and the contract will result in future net cash inflows with a present value of at least equal to all amounts recognised as an asset. Deferred costs are included within debtors and are amortised on a straight line basis over the life of the contract, starting from the date when the contract commences.

#### 2.13 Unbilled receivable

Revenue recognised but not billed to customers is classified as unbilled receivable. Unbilled receivable represents contracts where right to consideration is unconditional (i.e. only the passage of time is required before the payment is due).

#### 2.14 Foreign currency translation

The financial statements of the Company are presented in Pounds Sterling (£).

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.

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 realized 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.

#### 2.15 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.

#### 2.16 Pensions

##### Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid, the Company has no further payments obligations.

The contributions are recognised as an expense in the statement of profit and loss and other comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

## Notes to the financial statements

For the year ended 31 March 2024

### 2. Accounting policies (continued)

#### 2.17 Interest Income

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

#### 2.18 Current and Deferred taxation

The tax expense for the year comprises current and deferred tax. 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 country 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.

#### 2.19 Operating Leases

Rentals paid under operating leases are charged to the statement of profit and loss and other comprehensive income on a straight line basis over the life of the lease.

#### 2.20 Leased Assets: Lessor

Where assets leased to a third party give rights approximating to ownership (finance leases), the assets are treated as if they had been sold outright. The amount removed from the fixed assets is the net book value on disposal of the asset. The profit on disposal, being the excess of the present value of the minimum leases payments over net book value is credited to statement of profit and loss and other comprehensive income.

Lease payments are analysed between capital and interest components so that the interest element of the payment is credited to statement of profit and loss and other comprehensive income over the term of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts owed by the lessee.

## Notes to the financial statements

For the year ended 31 March 2024

### 2. Accounting policies (continued)

#### 2.21 Rent equalisation reserve

Lease payments under an operating lease should be recognised as an expense in the statement of profit and loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit. When the lease rental over a period of time fluctuates, the sum total of the rentals during the lease period will be divided to arrive at the equalized rent amount paid per month. The difference between the equalized rent amount and the actual total of the lease rental will be transferred to the lease equalization reserve account.

#### 2.22 Share Based Payments

Certain employees of the Company are covered under the share based compensation plans of the ultimate holding company, HCL Technologies Limited (HCLT). The Plan is administered by the Nomination and Remuneration Committee (NRC) of HCLT through a controlled trust. Each RSU granted under the above plan entitles the holder to one equity share of HCLT at an exercise price of £0.02 per share.

HCLT recharges to the Company such compensation costs based on expense incurred by HCLT for RSU granted to the Company participants. HCLT measures share-based compensation cost at grant date, based on the estimated fair value of the RSU with time and non-market performance-based vesting conditions and with market performance based vesting conditions, as per Black Scholes Model. The Company is liable to pay, cost of secondary shares acquired by the controlled trust of HCLT from open market, for allotment of shares to the participants. The difference between compensation cost recharged, and cost of secondary shares acquired, is charged to equity.

#### 2.23 Short term employee benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

### 3. Judgments in applying accounting policies and key sources 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 used are as follows:

#### *Provisions against receivables*

Using information available at the balance sheet date, the Directors make assumptions on the estimated debt recovery rates, based on experience, regarding the level of provision required to account for potentially uncollectible receivables. Amounts provided are £1,642k (March 2023 - £3,018k).

#### *Unbilled revenue*

Using information available at the balance sheet date, the Directors make assumptions on the estimated unbilled revenue, based on the level of efforts required to account for potential unbilled revenue. Amounts provided are £42,521k (March 2023 - £40,103k).

## Notes to the financial statements

For the year ended 31 March 2024

### 3. Judgments in applying accounting policies and key sources of estimation uncertainty (Continued)

#### *Provisions against impairment of goodwill*

Using information available at the balance sheet date, the Directors make assumptions on any indication that goodwill has suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected goodwill is estimated and compared with its carrying amount. If the estimated net worth amount is lower, the carrying amount is reduced to its estimated business projections amount, no impairment was recognised in either years.

#### *Provisions against impairment of investment*

Using information available at the balance sheet date, the Directors make assumptions on any indication that investment has 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 business projections amount. Impairment of £6,906k (March 2023 - £7,892k) was recognised.

#### *Revenue from Fixed price projects*

Estimates of efforts expended to date as a proportion of the total efforts to be expended which are used in the determination of percentage-of-completion in respect of fixed price revenue contracts.

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

### 4. Acquisition of Confinale AG

On 6 May 2022, the Company had signed a definitive agreement to acquire 100% shareholding of Confinale AG, a digital banking and wealth management consulting specialist and Avaloq Premium Implementation Partner, based in Switzerland for a consideration of £47,550k including contingent consideration of £7,139k which is dependent on achievement of certain specified performance obligations as set out in the agreement to be achieved over a period of two years.

The acquisition completed on 31 May 2022.

### 5. Acquisition of ASAP Holding GmbH

On 12 July 2023, the Company had signed a Sale and Purchase agreement to acquire 100% shareholding of ASAP Holding GmbH, a limited liability company, based in Germany for a consideration of EUR 231,945k.

The acquisition completed on 31 August 2023.

## Notes to the financial statements

For the year ended 31 March 2024

### 6. Analysis of Turnover

Turnover represents amounts (excluding value added tax) derived from the provision of goods and services to customers and it includes IT and business services, engineering and R & D services and services related to HCL software.

Analysis of turnover by geographical market:

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
United Kingdom	594,801	579,921
Rest of world	203,130	192,897
	<u>797,931</u>	<u>772,818</u>

Analysis of turnover by nature

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
Software revenue	767,769	729,420
Product revenue	30,162	43,398
	<u>797,931</u>	<u>772,818</u>

### 7. Operating profit

The operating profit is stated after charging:

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
Depreciation	3,717	4,300
Amortisation (included within administrative expenses)	2,614	2,132
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	75	68
Exchange differences loss	4,235	5,642
Impairment of investment*	6,906	7,892
Fair value changes in other investment	1,698	157
Research & development Cost	1,315	1,773
Operating lease rentals	<u>2,414</u>	<u>3,626</u>

\* Fair value changes in other investment of GBP 157k was included in Impairment of investment in previous year and have been reclassified to Fair value changes in other investment for better presentation.

## Notes to the financial statements

For the year ended 31 March 2024

### 8. Directors & Employees

Staff costs including director's remuneration were as follows:

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
Wages and salaries	224,876	212,219
Social security costs	23,636	23,037
Cost of defined contribution scheme	7,523	7,155
	<u>256,035</u>	<u>242,411</u>

#### Director's Remuneration

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
Directors' emoluments	1,304	1,685
Company's contributions to defined contribution pension schemes	9	40
	<u>1,313</u>	<u>1,725</u>

The highest paid director received remuneration of £965k (March 2023 - £1,409k).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to Nil (March 2023 - £31k).

Out of total directors, two directors received remuneration from this entity. Other directors of the Company are also directors in other group companies within the HCL group, and are also employees of the ultimate parent undertaking. All of these companies together are viewed as one business unit and their salaries are paid by the ultimate parent undertaking. The directors believe that remuneration applicable towards efforts for this Company is negligible.

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

All directors are eligible to receive shares under the long-term incentive scheme. Refer Note 24 for further details. Of these, the cost for two of the directors are recognised in this Company for the period they served.

The average monthly number of employees, including the directors, during the year was as follows:

	Year ended 31 March 2024 No.	Year ended 31 March 2023 No.
Technical	2,481	2,476
Sales and marketing	287	298
Administration	76	75
	<u>2,844</u>	<u>2,849</u>

## Notes to the financial statements

For the year ended 31 March 2024

### 9. Interest receivable and similar income

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
Interest receivable from group companies	3,775	3,928
Other Interest receivable	4,850	2,223
	<u>8,625</u>	<u>6,151</u>

### 10. Interest payable and similar charges

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
Interest payable to group companies	2,923	812
Bank charges and others*	70	48
Finance costs	1,499	585
	<u>4,492</u>	<u>1,445</u>

\*"On bank loans and overdraft" has been renamed to "Bank charges and others" for better presentation.

### 11. Taxation on profit

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
<b>Corporation tax</b>		
Current tax on profit for the year	8,408	6,933
Adjustments in respect of previous periods	(72)	(905)
Provision on uncertain position	3,980	3,252
Others (Withholding tax)	426	1,012
<b>Total current tax</b>	<u>12,742</u>	<u>10,292</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(833)	(1,124)
Adjustments in respect of previous periods	275	505
<b>Total deferred tax</b>	<u>(558)</u>	<u>(619)</u>
<b>Taxation on profit</b>	<u>12,184</u>	<u>9,673</u>

## Notes to the financial statements

For the year ended 31 March 2024

### 11. Taxation on profit (continued)

#### Factors affecting tax charge for the year

The tax assessed for the year is by standard rate of corporation tax in the UK of 25% (March 2023 - 19%) as set out below:

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
Profit before tax	<u>43,925</u>	<u>97,300</u>
Profit multiplied by standard rate of corporation tax in the UK of 25% (March 2023 - 19%)	10,981	18,487
<b>Effects of</b>		
Non- deductible expenses	5	103
Impairment of investment	1,726	1,500
Dividend income non taxable	(7,072)	(14,237)
Impact of rate change	-	(302)
Provision for uncertain tax position	3,980	3,252
Amortization of intangibles	753	319
Adjustment in respect of prior periods	203	(400)
Foreign tax credit claimed as deduction	(105)	(61)
Others	1,713	1,012
<b>Total tax charge for the year</b>	<u>12,184</u>	<u>9,673</u>

The Company has filed for Bilateral Advance Pricing Agreements (BAPA) for the period beginning from April 1, 2019 to March 31, 2024 for which the resolutions are yet to be reached. The resolution of the BAPA involves some degree of uncertainty and estimate; accordingly, the Company recognises income tax liability that it believes will ultimately result from the conclusion of the BAPA proceedings.

## Notes to the financial statements

For the year ended 31 March 2024

### 12. Intangible assets

	Customer relationships £000	Goodwill £000	Customer contracts £000	Total £000
<b>Cost</b>				
At 1 April 2023	4,538	18,385	-	22,923
Additions	-	-	963	963
Disposal	-	-	-	-
<b>At 31 March 2024</b>	<b>4,538</b>	<b>18,385</b>	<b>963</b>	<b>23,886</b>
<b>Amortisation</b>				
At 1 April 2023	2,541	6,263	-	8,804
Charge for the year	432	2,048	134	2,614
Disposal	-	-	-	-
<b>At 31 March 2024</b>	<b>2,973</b>	<b>8,311</b>	<b>134</b>	<b>11,418</b>
<b>Net Book Value</b>				
<b>At 31 March 2024</b>	<b>1,565</b>	<b>10,074</b>	<b>829</b>	<b>12,468</b>
<b>At 31 March 2023</b>	<b>1,997</b>	<b>12,122</b>	<b>-</b>	<b>14,119</b>

## Notes to the financial statements

For the year ended 31 March 2024

## 13. Tangible Fixed assets

	Office equipment £000	Plant & equipment £000	Computer equipment* £000	Fixture & Fittings £000	Computer Software* £000	Capitalised Work in Progress £000	Leased Assets £000	Total £000
<b>Cost or valuation</b>								
At 1 April 2023	556	5,991	12,514	848	2,810	68	-	22,787
Additions	61	-	874	1	396	-	902	2,234
Disposals	(28)	(3,013)	(476)	(49)	(675)	(68)	-	(4,309)
At 31 March 2024	<u>589</u>	<u>2,978</u>	<u>12,912</u>	<u>800</u>	<u>2,531</u>	<u>-</u>	<u>902</u>	<u>20,712</u>
<b>Depreciation</b>								
At 1 April 2023	208	3,022	7,279	472	2,612	-	-	13,593
Charge for the year	64	460	2,594	188	157	-	254	3,717
Disposal	(28)	(1,983)	(476)	(49)	(675)	-	-	(3,211)
At 31 March 2024	<u>244</u>	<u>1,499</u>	<u>9,397</u>	<u>611</u>	<u>2,094</u>	<u>-</u>	<u>254</u>	<u>14,099</u>
<b>Net book value</b>								
At 31 March 2024	<u>345</u>	<u>1,479</u>	<u>3,515</u>	<u>189</u>	<u>437</u>	<u>-</u>	<u>648</u>	<u>6,613</u>
At 31 March 2023	<u>348</u>	<u>2,969</u>	<u>5,235</u>	<u>376</u>	<u>198</u>	<u>68</u>	<u>-</u>	<u>9,194</u>

\*£737k has been reclassified from Gross cost as at 1<sup>st</sup> April 2023 from Computer software to Computer equipment for better classification.

\*£115k has been reclassified from Accumulated depreciation as at 1<sup>st</sup> April 2023 from Computer software to Computer equipment for better classification.

## Notes to the financial statements

For the year ended 31 March 2024

## 14. Investment

	Investments in subsidiaries, associates & other investments £000
<b>Cost or valuation</b>	
At 1 April 2023	127,329
Addition	209,661
Disposal	(1,163)
Impairment of investments	(6,906)
Fair value changes in other investments	(1,698)
<b>At 31 March 2024</b>	<b>327,223</b>
At 31 March 2023	127,329

## Subsidiary undertakings &amp; Associates

The directors believe that the book value of investments is supported by their underlying net assets. During the year, Company has made additional investments in Actian Technology Private Limited, HCL Technologies Solutions GmbH, HCL Technologies Estonia OU, ASAP Holding GmbH and HCL Technologies S.A.C.

Manzina Tech GmbH has been merged in Confinale AG during the year.

The following were direct subsidiary undertakings & associates of the Company. The principal activity of the following investments is IT, and IT enabled services.

Name	Country of incorporation	Class of shares	Holding	Registered address
HCL Technologies Germany GmbH	Germany	Ordinary	100%	Frankfurter Strasse 63-69, D-65760 Eschborn
Actian Technology Private Limited	India	Ordinary	100%	2nd Floor, Esteem Regency, 6, Richmond Road, Bangalore, Karnataka, India 560 025
HCL Technologies B.V.	Netherlands	Ordinary	100%	Prinses Beatrixlaan 532, Unit C06.01, 2595BM 's-Gravenhage
HCL (Ireland) Information Systems Limited	Ireland	Ordinary	100%	C/O TMF Group Ground Floor, Two Dockland Central, Guild St, North Dock, Dublin, Ireland D01 K2C5
HCL Technologies Belgium BV	Belgium	Ordinary	100%	Lozenburg 22 bus 3, B-1932, Zaventem, Belgium
HCL Technologies Solutions GmbH	Switzerland	Ordinary	100%	Kirchgasse 24, 8001 Zurich, Switzerland
HCL Technologies Sweden AB	Sweden	Ordinary	100%	Sveavägen 21-23, 5 Tr, 11134 Stockholm, Sweden
HCL Technologies Finland Oy	Finland	Ordinary	100%	Keilaranta 6 02150 Espoo, Finland
HCL Technologies SA	Venezuela	Ordinary	99.98%	Eddificio Atrium, Piso 3, Av. Venezuela, El Rosal, Caracas, Venezuela
HCL Technologies Italy S.P.A.	Italy	Ordinary	100%	Vimodrone (MI) via Luigi Cadorna n. 73, Milan 20090, Italy
Celeritifintech Limited	UK	Ordinary	51%	6th Floor, 70 Gracechurch Street, London EC3V 0XL, England

## Notes to the financial statement

For the year ended 31 March 2024

## 14. Investments (continued)

HCL Technologies Luxembourg SARL	Luxembourg	Ordinary	100%	46A, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg
HCL Technologies Greece Single Member P.C	Greece	Ordinary	100%	62 Kifissias Avenue, 15125 Maroussi, Athens, Greece
HCL Technologies Columbia S.A.S	Colombia	Ordinary	100%	CR 7 No. 71 -52 To A OF 706), Bogotá - Colombia.
HCL Investments (UK) Limited.	UK	Ordinary	7.51%	6th Floor, 70 Gracechurch Street, London EC3V 0XL, England
HCL Technologies Czech Republic S.R.O	Czech Republic	Ordinary	39%	Praha 2 - Nové Město, Kateřinská 466/40, PSC120 00
HCL Technologies Bulgaria EOOD	Bulgaria	Ordinary	100%	Business park Sofia, building 7, entrance B, Floor 1, Sofia 1766, Bulgaria
HCL Japan Ltd.	Japan	Ordinary	100%	ARK Mori Building 32F EAST,1-12-32 Akasaka, Minato-ku,Tokyo 107-6032,Japan
HCL Technologies Egypt Ltd.	Egypt	Ordinary	100%	Office No. 2226, 22nd Floor, North Tower, Nile City Towers, Cornich El Nil, Cairo Governorate, Arab Republic of Egypt
HCL Technologies Beijing Co. Ltd.	China	Ordinary	100%	Room 116 in 1701, 15/F, Building 1, 16 South Guangshun Street, Chaoyang District, Beijing 100015, China
HCL Technologies Lithuania UAB	Lithuania	Ordinary	100%	Ukmergės g. 124, Vilnius.
HCL Technologies Taiwan Ltd.	Taiwan	Ordinary	100%	(110) 18F., No. 460, Sec 4, Xinyi Road, Xinyi Dist, Taipei, Taiwan
Datawave (An HCL Technologies Company) Limited	UK	Ordinary	100%	Caledonian Exchange, 19a Canning Street, Edinburgh, Scotland, EH3 8HE.
HCL Technologies Corporate Services Limited	UK	Ordinary	100%	6th Floor, 70 Gracechurch Street, London EC3V 0XL, England
HCL Great Britain Limited	UK	Ordinary	100%	70, 6th Floor, Gracechurch Street, London EC3V 0XL, England
HCL Technologies Trinidad and Tobago Limited	Trinidad and Tobago	Ordinary	100%	Nos. 5-7 Sweet Briar Road, St. Clair, Trinidad
HCL Technologies Azerbaijan LLC	Azerbaijan	Ordinary	99.9%	AZ1010, Baku city Nasimi district, Pushkin street 12/14, house no 30
HCL Technologies Vietnam Company Ltd	Vietnam	Ordinary	100%	Regus saigon tower tang 16, saigon tower, 29 lê duẩn, quận 1, hồ chí minh, Vietnam
Celeritifintech Services Limited	UK	Ordinary	49%	New kings Court, Tollgate, Chandler's ford, Eastleigh, Hampshire, SO53 3LG

## Notes to the financial statement

For the year ended 31 March 2024

## 14. Investments (continued)

HCL Istanbul Bilisim Teknolojileri Limited Sirketi	Turkey	Ordinary	100%	Maslak Meydan District No:3 Veko Giz Plaza 14th Floor No:45 Room 1413 Maslak Sariyer Istanbul Post Code:34398
HCL Technologies Angola	Angola	Ordinary	100%	Luanda Kaluanda Building, Second Floor, Office 2001.
HCL Vietnam Company Ltd	Vietnam	Ordinary	100%	5th Floor ,VIT Tower, No. 519 Kim Ma Street, Ngoc Khanh Ward, Ba Dinh District Ha Noi City Vitenam
HCL Technologies S.A.C	Peru	Ordinary	99.96%	Av. Emilio Cavenecia 151, Of. 701, Miraflores, Lima, Peru
HCL Technologies Thailand Limited	Thailand	Ordinary	100%	89, AIA Capital Center, 20/F, Room 2005-2007, Ratchadapisek Road, Kwaeng Dindaeng, Bangkok, 10400.
HCL Technologies Estonia OU	Estonia	Ordinary	100%	Hobujaama tn 4, 10151 Tallinn, Estonia
ASAP Holding GmbH	Germany	Ordinary	100%	Sachsstraße 1A, D-85080 Gaimersheim, Germany
Confinale AG	Switzerland	Ordinary	100%	Baarerstrasse 10, 6300 Zug, Switzerland
HCL Technologies Slovakia s. r. o.	Slovakia	Ordinary	99.99%	Dvořákovo nábřežie 4 Bratislava - mestská časť Staré Mesto 81102, Slovenská republika
HCL Technologies Morocco Limited	North Africa	Ordinary	99.99%	15 Av AL Abtal N 4 Agdal Rabat, Morocco

## Other Investments:

The Company has sold its investment in Moogsoft during the year. The Company has made additional investment in Om Mobile Ventures during the year.

Name	Country of incorporation	Holding	Registered address
Om Mobile Ventures	Cayman Islands	8.6%	Floor 2, Willow House Cricket Square, PO Box 709, Grand Cayman KY1-1107, Cayman Islands
uCast Global Holdings, Limited	Cayman Islands	4.6%	Walkers Corporate Limited, 27 Hospital Road, George Town, Grand Cayman KY1-9008, Cayman Islands

## 15. Stocks

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
Finished goods and goods for resale	1,903	411
	<u>1,903</u>	<u>411</u>

## Notes to the financial statements

For the year ended 31 March 2024

## 16. Debtors

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
<b>Due after more than one year</b>		
Deferred costs	6,898	6,648
Prepayments and deposits	1,036	1,106
Unbilled receivables	2,545	3,974
Deferred tax*	4,060	2,705
Amount owed by group undertaking	30,030	50,683
Net investment in finance leases	1,609	2,410
	<u>46,178</u>	<u>67,526</u>

\* Deferred tax liability of £449k was disclosed under creditors note in previous year and have been netted off against deferred tax asset disclosed in debtors note in current year for better presentation.

Amounts owed by group undertakings includes long term loans given to group companies incurring interest at various interest rates based upon SOFR/SONIA/BBSW/ BUBOR + variable bps, are unsecured and repayable on due date.

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
<b>Due within one year</b>		
Trade debtors	132,256	142,995
Amounts owed by group undertakings	68,783	64,867
Deferred costs	3,408	4,721
Unbilled receivables	34,592	32,315
Other debtors	1,503	6,581
Prepayments	10,021	9,348
Net investment in finance leases	1,159	1,841
	<u>251,722</u>	<u>262,668</u>

Amounts owed by group undertakings includes short term loans given to group companies incurring interest at various interest rates based upon LIBOR/SOFR/SONIA + variable bps, are unsecured and repayable on due date.

The maturity of net investment in finance leases is as follows:

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
<b>Gross investment:</b>		
Within one year	1,220	2,243
Within two to five years	1,655	2,580
	<u>2,875</u>	<u>4,823</u>
Less: Finance income allocated to future periods	(107)	(572)
	<u>2,768</u>	<u>4,251</u>

## Notes to the financial statements

For the year ended 31 March 2024

### 16. Debtors (continued)

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
<b>Net investment:</b>		
Within one year	1,159	1,841
Within two to five years	1,609	2,410
	<u>2,768</u>	<u>4,251</u>

### 17. Cash and cash equivalents

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
Cash at bank	33,952	26,093
Other bank balances	-	126,000
	<u>33,952</u>	<u>152,093</u>

### 18. Creditors: Amounts falling due within one year

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
Trade creditors*	25,549	21,760
Amounts owed to group undertakings	133,678	124,882
Corporation tax	16,433	12,465
Obligations under finance lease & hire purchase contracts	2,975	1,187
Taxation and social security	20,368	15,987
Other creditors**	6,188	4,954
Bank overdraft	171	-
Accruals and deferred income	74,621	75,299
	<u>279,983</u>	<u>256,534</u>

Amounts owed to group undertakings includes short term loans taken from group companies incurring interest at various interest rates based upon LIBOR/SOFR + variable bps, are unsecured and repayable on demand/due date.

\* Trade creditors of £1,268k was included in other creditors in previous year and have been reclassified to Trade creditors for better presentation.

\*\* Other creditors of £(51k) was included in Trade creditors in previous year and have been reclassified to Other creditors for better presentation.

## Notes to the financial statements

For the year ended 31 March 2024

**18. Creditors: amounts falling due after more than one year**

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
Amounts owed to group undertakings	124	4,542
Deferred tax*	-	-
Obligations under finance lease & hire purchase contracts	1,114	1,099
Accruals and deferred income	3,937	6,922
	<u>5,175</u>	<u>12,563</u>

\* Deferred tax liability of £449k was disclosed under creditors note in previous year and have been netted off against deferred tax asset disclosed in debtors note in current year for better presentation.

The maturity of obligations under finance lease is as follows:

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
Not later than 1 year	2,975	1,187
Later than 1 year and not later than 5 years	1,114	1,099
Total Lease payments	4,089	2,286
Less: Interest	(102)	(50)
Total Lease liabilities	<u>3,987</u>	<u>2,236</u>

**19. Other provisions**

	Dilapidation costs £000
Provisions for dilapidation costs	
At 1 April 2023	463
Transferred during the year	-
At 31 March 2024	<u>463</u>

The Company's provision includes a provision for dilapidation cost relating to rental properties. The dilapidation provision will be utilised at such a time as the Company vacates its existing premises.

**20. Deferred Taxation**

	Deferred tax £000
At 1 April 2023	2,705
Charged to profit and loss	558
Through SOCE	797
At 31 March 2024	<u>4,060</u>

## Notes to the financial statements

For the year ended 31 March 2024

### 20. Deferred Taxation (continued)

#### Deferred Tax reconciliation

	£000
At the beginning of the year	2,705
Through SOCE	797
Adjustment in previous period	(275)
Deferred tax credit for the year	833
Balance at the end of the year	<u>4,060</u>

The provision for deferred taxation is made up as follows:

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
Accelerated capital allowances	1,289	1,351
Intangibles	(549)	(449)
Share based payment	2,906	-
Employee benefits	414	-
Other timing differences	-	1,803
	<u>4,060</u>	<u>2,705</u>

### 21. Share Capital

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
<b>Allotted, called up and fully paid</b>		
279,142,191 (March 2023 - 268,142,191) ordinary shares of \$1 each	<u>215,292</u>	<u>206,619</u>

The Company has issued 11,000,000 shares of \$1 each during the year to HCL Bermuda Limited.

During the year, HCL Bermuda Limited has transferred shares of HCL Technologies UK Limited to HCL Technologies Holding UK Limited.

### 22. Pension Commitments

The Company operates a defined contribution pension scheme. The pension charge for the year is £7,523k (March 2023 - £7,155k). The balance outstanding as at 31 March 2024 is £1,537k (March 2023 - £1,335k).

### 23. Capital Commitments

As at 31 March 2024, the Company had contractual commitment of £390k (31 March 2023 - £289k).

#### Commitments under operating lease

##### Building

The Company leases office spaces and accommodation for its employees under operating lease agreements. The lease rental expenses recognised in the statement of profit and loss and other comprehensive income for the year is £1,522k (March 2023 - £2,995k).

## Notes to the financial statements

For the year ended 31 March 2024

### 23. Commitments (continued)

At 31 March 2024, the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
Not later than 1 year	1,394	1,433
Later than 1 year and not later than 5 years	4,379	5,899
Later than 5 years	-	142
	<u>5,773</u>	<u>7,474</u>

#### IT Equipment

The Company leases IT equipment under operating lease agreements. The lease rental expenses recognised in the statement of profit and loss and other comprehensive income for the year is £198k (March 2023 - £661k).

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
Not later than 1 year	369	260
Later than 1 year and not later than 5 years	196	320
	<u>565</u>	<u>580</u>

#### Corporate Guarantee

The Company has given corporate guarantee on behalf of fellow subsidiaries amounting to £171,391k (March 2023 - £175,638k).

### 24. Share based payments

The total cost for the year relating to employee share based payment plans was £3,907k (March 2023: 4,423k), which is reimbursement of cost to HCLT, towards RSUs granted by HCLT to employees of the Company. The amount related to share based payment liability included in amounts due HCLT is £8,121k (March 2023: 5,203k).

### 25. Related party transactions

The Company has taken advantage of the exemption available in section 33 of FRS 102 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 and consolidated financial statements in which the Company is included are publicly available.

## Notes to the financial statements

For the year ended 31 March 2024

### 26. Controlling party

The immediate parent undertaking of the Company is HCL Technologies Holding UK Limited, a company incorporated in United Kingdom. The ultimate parent undertaking and controlling party is HCL Technologies Limited, a company registered in India.

The largest and smallest group of undertakings for which the group financial statements are prepared that include the results of the Company is that headed by HCL Technologies Limited registered office at 806, Siddharth, 96, Nehru Place, New Delhi- 110019, India. The consolidated financial statements are available on the Company's website at <https://www.hcltech.com>.

### 27. Post balance sheet events

The Company has passed a resolution on 6 June 2024 to provide Parent Company Guarantee in favour of Deutsche Apotheker- und Ärztebank eG ("apo bank") on behalf of HCL Technologies Germany GmbH for a term and amount as capped by the agreement.