

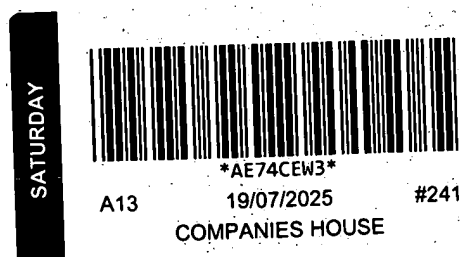
# Report and Financial Statements

## HCL Technologies UK Limited

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For the year ended 31 March 2025

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
<b>Banker</b>	Deutsche Bank AG London Branch Winchester House 1 Great Winchester Street London EC2N 2DB

HCL Technologies UK Limited

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HCL Technologies UK Limited

## Strategic report

For the year ended 31 March 2025

### Introduction

The directors present their Strategic Report for the year ended 31 March 2025.

### Principal activities

The Company's principal activities are:

1. To provide services associated with IT and business services, digital engineering and Research & Development (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 Research & Development (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 2025	31 March 2024
	£000	£000
Turnover	809,009	797,931
Operating profit	22,320	23,347
Profit for the year after tax	33,179	31,741
Carrying value of investments	293,990	327,223

The Company recorded turnover of £809,009k (31 March 2024 - £797,931k), registering increase in turnover of 1.39% 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. During the year, the Company has provided for impairment of investments of £54,552k (31 March 2024 - £6,906k) and received dividend amounting to £79,074k (31 March 2024 - £28,289k).

As at 31 March 2025, the Company had net assets of £426,124k (31 March 2024: £394,438k) owing to:

- further investments in subsidiaries of £22,050k
- impairment of investment of £54,552k
- changes in fair value of other investments of £731k
- fixed deposits created with bank of £107,000k
- increase in trade creditors by £8,528k due to invoices received but not due
- decrease in trade debtors by £15,931k due to realization of debtors in current year
- decrease in amount owed by group undertakings by £16,937k due to collection of loans given to group companies.

Non-financial indicators have been focused on customer satisfaction, innovation and employee engagement.

#### 1. Innovation & development KPIs:

- a) R&D expenditure as % of revenue: The Company has spent £885k (31 March 2024: £1,315k) on research & development that is 0.11% (31 March 2024: 0.16%) of revenue.

HCL Technologies UK Limited

## Strategic report (continued)

For the year ended 31 March 2025

### 2. Cyber security & compliance KPIs:

- a) Compliance certification achieved: Enterprise level ISO 27001 certification and SOC 2 report have been obtained at group level and cyber essentials plus certification received for the entity.
- b) Number of security breaches: No incidents were observed during the year impacting UK employees.

### 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.

#### 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 2025

### 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

Besides 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.

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. The Company undertake hedges by itself.

HCL Technologies UK Limited

## Strategic report (continued)

For the year ended 31 March 2025

### 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, associates and other investments. The directors understanding of the risks associated with the investments held by the entity relate to the potential impairment of those investments. To identify any risk of impairment in a timely manner, the Company reviews the financial performance of its investments on a regular basis.

### 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, associates and other investments.

The Company is controlled by the Board that exercises leadership, integrity and judgments, to achieve continuing prosperity and to act in the best interest of the Company. The Board plays a critical role of supervising the approach of the management who serves to achieve the short/long term interests of the 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 2025

### 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 2025

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 the 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/FY2024\\_HCLTech\\_Sustainability\\_Report.pdf](https://www.hcltech.com/sites/default/files/document/open/FY2024_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 26 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**

HCL Technologies UK Limited is a subsidiary of HCL Technologies Limited (hereafter referred to as “HCLTech”), the ultimate parent company. HCLTech is committed to supercharging progress, delivering pioneering services and products that positively impact our clients, employees, communities and the planet. It is a full-stack global technology company underpinned by a strong engineering DNA. Our areas of expertise include AI & GenAI, Digital, Engineering, Cloud, and Software.

HCL Technologies UK Limited has a robust presence in the UK, since the inception of its operations in 2013. It takes great pride in its partnership with some of the UK's largest organisations spanning various industries and strive to make a significant impact in the region, contributing to its ongoing growth and development. For further details, please refer HCLTech’s website: <https://www.hcltech.com/geo-presence/united-kingdom>.

HCLTech’s sustainability principles are deeply embedded in its overall strategy and day-to-day operations, cascading from the enterprise level to all its global locations – including the UK. This report highlights key sustainability initiatives across the enterprise, as well as specific efforts undertaken in the UK, where applicable.

The entity provides services associated with IT and business services, digital engineering and Research & Development (R&D) services and services related to HCL software.

### ***Making a positive impact in the UK***

#### **Our approach to sustainability**

Sustainability is central to our operations, driving positive impacts on the environment and communities. We blend the best of people and technology, aligning our success with our cherished values. Our commitment to the region is exemplified by our decade-long Corporate Social Responsibility (CSR) partnership with The King’s Trust.

HCL Technologies UK Limited

## Strategic report (continued)

For the year ended 31 March 2025

We welcome feedback from our stakeholders as this will enable us to bring continuous improvement in our policies, processes and performance. Your insights in terms of report content and presentation, will help us sharpen our efforts in this direction. Please send your comments and suggestions to:

**Mr Vipul Arora**, Senior Vice President, Global Head – Sustainability, HCLTech

Email: sustainability@hcltech.com

### Alignment with the United Nations Sustainable Development Goals

To maximise our contribution towards the United Nations Sustainable Development Goals (UN SDGs), we have woven sustainability into our business strategy with three objectives in mind: to meet our own sustainability goals, help our clients achieve their sustainability goals, and create a positive impact for all stakeholders. Our principles of sustainability are embedded in our locations globally, including the UK. These objectives are underpinned by our three guiding principles:

Act:	Pact:	Impact:
Acting in the most responsible and sustainable manner and ensuring every resource is used efficiently to maximise value.	Working for a sustainable future in collaboration with our clients, partners, communities and all stakeholders.	Focusing on creating sustainable impact through all initiatives and activities.

### Sustainability targets and goals of HCLTech

We have set specific sustainability targets at the organisational level, which cascade down to our global locations. Our sustainability reports outline our enterprise-level goals, targets, and the progress we've made across key sustainability pillars. For the most recent updates, please refer to our latest Sustainability Report and explore additional information available on our Sustainability webpage - <https://www.hcltech.com/sustainability>.

Our goals & targets
<b>Planet</b>
<ul style="list-style-type: none"> <li>• Achieve net-zero emissions by 2040</li> <li>• Reduce absolute Scope 1 and 2 emissions by 50% by 2030</li> <li>• Transition 80% of electricity usage to renewable energy by 2030</li> <li>• Achieve zero waste to landfill at all owned facilities by 2025</li> </ul>
<b>People</b>
<ul style="list-style-type: none"> <li>• Improve the sustainability knowledge and skills of our employees</li> <li>• Improve gender diversity in the workforce with 40% Women by 2030</li> <li>• Increase gender representation in senior leadership levels to 30% by 2030</li> <li>• Be recognised among the best employers in our key operating geographies</li> </ul>
<b>Governance</b>
<ul style="list-style-type: none"> <li>• Strengthen our sustainable supply chain process</li> <li>• Integrate ESG with risk management and internal audit processes</li> <li>• Establish ourselves as a recognised leader in information security practices and data privacy standards</li> </ul>

## Strategic report (continued)

For the year ended 31 March 2025

For reader's reference, please find below the definitions for each scope of emissions. The definitions of Scope 1, 2, and 3 emissions are established by the Greenhouse Gas (GHG) Protocol, which is the globally recognized standard for measuring and managing greenhouse gas emissions. The GHG Protocol was developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

- **Scope 1:** Emissions that come directly from your company's own activities, like fuel burned in company vehicles or factories.
- **Scope 2:** Emissions from the electricity, heating, or cooling your company buys and uses.
- **Scope 3:** Emissions that happen in your value chain, like those from suppliers, business travel, or how customers use your products.

### Material topics

We have retained the 12 material topics for FY24-25 as identified in our last materiality assessment. The results of the enterprise-level materiality assessment have been published in our latest Sustainability report available on our website - <https://www.hcltech.com/sustainability>.

Our 12 material topics are as follows:

#### Environment:

- **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.

#### Social:

- **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 organisation 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.

## Strategic report (continued)

For the year ended 31 March 2025

### Governance:

- **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 organisation 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 are currently conducting our Double Materiality Assessment and look forward to publishing our findings in the next financial year. Under the European Sustainability Reporting Standards (ESRS), double materiality is a foundational principle requiring companies to disclose both how sustainability issues affect their financial performance (financial materiality) and how their operations impact people and the environment (impact materiality). This dual perspective ensures that stakeholders - including investors, regulators, and others - gain a comprehensive view of a Company's sustainability risks and contributions, aligning with the broader goals of the Corporate Sustainability Reporting Directive (CSRD).

### Non-financial key performance indicators

This report aims to provide insight into our development, performance, and position on key non-financial matters (aligned to the non-financial reporting requirements contained in sections 414CA and 414CB of the Companies Act 2006) with additional information on performance outcomes available in this annual report, our website and the HCL Technologies Limited annual and sustainability reports.

### Description of the outcome of relevant policies

HCL Technologies Ltd. implements enterprise-wide policies on matters related to sustainability, ethics, human rights, and employee well-being, which are consistently applied across all geographies, including the UK. These policies have led to measurable outcomes such as improved energy efficiency, regulatory compliances, data privacy, enhanced diversity and inclusion, amongst other initiatives. Our anti-corruption framework and supplier due diligence processes further reinforce responsible business conduct. These outcomes are detailed across relevant sections of this report - including Planet, People, and Governance, and are also tracked through defined non-financial KPIs disclosed in our Sustainability and BRSR reports for enterprise level information. Failure to comply with these requirements could negatively impact our business, our people and the communities in which we operate. Our policies are in place to ensure that we take relevant steps to manage and mitigate the risk of negative impacts to our non-financial performance KPIs.

### Planet

Our goal is to minimise our carbon footprint and contribute to a greener future. At HCLTech, we prioritise resource optimisation and efficiency while minimising the environmental impact of our operations. Recognising the significant influence a global IT company can have on the environment; we strive to set a new benchmark for environmental stewardship within our industry through tangible initiatives and strategic partnerships.

HCL Technologies UK Limited

## Strategic report (continued)

For the year ended 31 March 2025

We have established clear goals and targets at the organisational level, and we continuously monitor our performance against these benchmarks. Our progress is reviewed quarterly by the ESG committee of the board, ensuring accountability and ongoing improvement in our environmental initiatives.

HCLTech UK qualifies for the Energy Savings Opportunity Scheme (ESOS) and fully complies with its requirements. Senior management is informed of the ESOS report and action plan, ensuring their approval and sign-off. Phase 3 of ESOS has been completed in 2024 and Energy Savings Opportunities have been identified as below:

### **Project 1: Annual Air Conditioning Inspections**

Summary: By conducting annual inspections of the air conditioning chillers at the Watford site, it is estimated that energy consumption can be reduced by approximately 10%. This improvement in efficiency leads to an annual energy saving of around 2,496.8 kWh.

### **Project 2: Staff Awareness Campaign**

Summary: A 5% reduction in the total annual energy consumption of all sites was estimated based on implementing a Staff Awareness Campaign. The total energy savings were calculated by applying this percentage reduction to the combined energy consumption of the Belfast, Gracechurch - London, Romford, and Watford sites.

Additionally, HCLTech UK qualifies for the Streamlined Energy and Carbon Reporting (SECR) requirements. We ensure compliance and we generate the SECR report annually.

### **Key performance indicators used to assess progress against our environmental targets**

For energy and emission KPIs reporting, please refer the section "Statement of carbon emissions in compliance with Streamlined Energy and Carbon Reporting (SECR)" on page 25 of Directors' report.

### **Environmental policies**

We, as an organisation, are committed to conducting our business in a sustainable and ethical manner, minimising our environmental impact. We have a comprehensive Environmental Sustainability Policy that prioritises energy efficiency, resource conservation and waste reduction. The policies implemented by the organisation are given below. They are applicable for all our locations globally.

- Environmental Certificates and Policies: <https://www.hcltech.com/sustainability#policies>
- Environmental Sustainability policy: <https://www.hcltech.com/corporate/environmental-sustainability-policy>
- Energy Policy: <https://www.hcltech.com/sites/default/files/documents/sustainability/EnMS-Policy-2024.pdf>
- Procurement Policy: <https://www.hcltech.com/corporate/procurement-policy/>
- Water policy: <https://www.hcltech.com/corporate/water-policy>

## Strategic report (continued)

For the year ended 31 March 2025

### Climate-related financial disclosures

This section offers a focused summary of HCLTech's comprehensive enterprise-level climate risk assessment, specifically tailored to our operations within the United Kingdom (UK). Acknowledging the escalating importance of climate change and its potential to significantly influence our business continuity, financial stability, and strategic objectives in the UK, this report consolidates our methodologies for climate risk identification, assessment, evaluation, adaptation, and mitigation. The disclosures presented herein align with established frameworks, including the Task Force on Climate-related Financial Disclosures (TCFD), IFRS S2, and UK CFD, providing stakeholders with a clear and concise overview of the key findings, identified risks and opportunities, and proposed mitigation strategies structured around the four thematic pillars of the TCFD. This summary aims to illuminate the most critical climate-related challenges to our UK operations and to articulate our organisation's strategic direction for building resilience and fostering sustainable growth amidst a changing climate.

Recognising the dynamic nature of climate science and the continuous advancement of tools and methodologies for evaluating climate impacts, and potential climate-driven risks to our assets and business strategies, HCLTech remains committed to refining its assessment approach.

Over the past few years, we have enhanced our evaluation processes, extending the scope of our analysis to encompass a greater number of physical risks and incorporating additional climate risk scenarios, specifically Representative Concentration Pathway (RCP) 4.5 and RCP 8.5, across different timelines (2030, 2040, 2050) covering multiple asset portfolio across different countries, including those assets located in the UK. This ongoing commitment to robust assessment ensures that our understanding of climate-related vulnerabilities and opportunities within the UK region is both comprehensive and forward-looking.

Representative Concentration Pathways (RCPs) are climate scenarios used to model future greenhouse gas concentrations and their impact on global warming.

- RCP 4.5 assumes moderate emissions reductions, leading to a temperature rise of about 2.4–3.0°C by 2100.
- RCP 8.5 represents a high-emissions, business-as-usual scenario, with potential warming of 4.3–5.0°C by 2100.

Furthermore, our overarching enterprise-wide commitment to achieving net-zero emissions by 2040 is deeply interconnected with the outcomes of the climate risk assessment and actions-initiated basis the same. While the overarching net-zero targets and the strategic decarbonisation roadmap are formulated and managed at the enterprise level, the practical implementation of targeted actions is being executed concurrently across all our operational geographies, with the UK being one of the key focus areas. This parallel execution ensures a vital feedback loop, where the specific climate risks and opportunities identified within the UK-context directly inform and are actively integrated into our broader global decarbonisation strategy. This synergistic approach ensures that our enterprise-level sustainability ambitions are effectively realised through geographically relevant and contextually appropriate actions on the ground in the UK.

### Our approach for alignment with Climate Related Financial Disclosures

The following table outlines HCLTech's comprehensive approach to aligning its existing procedures and practices with the specific requirements of the UK Climate-related Financial Disclosures (CFD) and the four thematic areas of the TCFD. The below disclosure also complies with the requirements of the Companies Act 2006 as amended by the Companies (Strategic Report) (Climate related Financial Disclosure) Regulations 2022.

## Strategic report (continued)

For the year ended 31 March 2025

This mapping demonstrates how our current governance structures, strategic planning, risk management processes, and metrics and targets directly address the disclosure expectations set forth by these frameworks, ensuring transparency and providing stakeholders with a clear understanding of our climate-related considerations.

TCFD Pillar	UK CFD requirement	Approach
Governance	A description of the Group's governance arrangements in relation to assessing and managing climate-related risks and opportunities	<p>The ESG core team, operating within the CEO's office, is responsible for setting and managing overall sustainability goals and targets. Climate-related risks and opportunities are evaluated and addressed by the Chief Sustainability Officer (CSO) along with the ESG and Diversity, Equity and Inclusion (DEI) Committee. HCLTech's Board of Directors oversees climate-related matters through the ESG &amp; DEI Committee, which engages in quarterly discussions on climate change due to its cross-functional business impact. This committee is authorised to review climate strategies, plan future actions, allocate budgets, and report on financial performance related to climate initiatives.</p> <p>The committee annually reviews the implementation progress, challenges and the performance against the set objectives and targets. Through collaboration across teams, we ensure environmental responsibility is integrated into our operations, demonstrating our commitment to both business and environmental objectives.</p> <p><b>Reviewing risks and opportunities:</b> The Committee assesses various risks and opportunities associated with ESG issues which have the potential to impact the business performance of HCLTech. The risks and opportunities include the following parameters, among many others:</p> <p><b>Environment:</b> Nature of core business and influence of business on environment, emissions/ waste disposals/ effluents discharge, climate change, the energy transition, emissions, including greenhouse gases and emissions reductions technology.</p> <p><b>Social:</b> Impact of the HCLTech products and services on society, maintaining employee satisfaction, assessing social impacts such as human rights etc.</p> <p><b>Governance:</b> Track record towards minority stakeholders, capital allocation, board performance and other metrics, auditor related metrics, disclosures, regulator compliances, policy proposals, etc. Implementing strategy for ESG: Approve the short, medium, and long-term plans, as well as part of the ESG strategy, and ensure that such initiatives are incorporated into our strategic plan. The Committee shall also approve annual sustainability goals, measurements, and targets, as well as periodically monitor performance against the targets, standards, metrics, or methodologies.</p>

## Strategic report (continued)

For the year ended 31 March 2025

TCFD Pillar	UK CFD requirement	Approach
Risk management	<p><b>Identify, assess, manage risks</b> A description of how the Group identifies, assesses, and manages climate-related risks and opportunities.</p>	<p>Climate-related risks and opportunities are overseen by the ESG and DEI Committee. Risk identification begins at the operational level, where designated risk owners assess various categories of climate related risks. These identified risks are then escalated to the Risk &amp; Compliance Apex Committee and the Audit &amp; Risk Management Committee, which are responsible for evaluating, prioritising, and supporting mitigation efforts.</p>
	<p><b>Integration into risk management process</b> A description of how processes for identifying, assessing, and managing climate-related risks are integrated into the Group's overall risk management process</p>	<p>The Risk and Compliance Committee along with ESG and DEI committee ensures that risk management practices are not standalone but integrated into strategic planning, innovation, and operational excellence frameworks. The Crisis and Resilience (C&amp;R) Program, under the Risk and Compliance function led by the Chief Risk Officer, aligns with ISO 22301:2019 standards and global best practices. Guided by the Board and supported by subject matter experts, the program integrates Resilience-by-Design into work, workforce, workplace, technology, supply chain, and leadership. It leverages horizon scanning and early warning systems to proactively address risks, including climate change.</p>

## Strategic report (continued)

For the year ended 31 March 2025

TCFD Pillar	UK CFD requirement	Approach																																																
Strategy	<p>Description of (i) the principal climate-related risks and opportunities arising in connection with the Group's operations. (ii) the time periods by reference to which those risks and opportunities are assessed</p>	<p><b>Physical risks:</b> Extreme weather events can disrupt operations by damaging infrastructure like data centres and interrupting supply chains, leading to potential downtime and financial loss. The process of identifying climate-related risks and opportunities at HCLTech involves a structured, multi-step approach aligned with long-term strategic planning across three-time horizons – 2030 (5 years), 2040 (15 years), and 2050 (30 years).</p> <p><b>Risk Identification and Assessment:</b> The initial phase involves identifying both physical and transition climate-related risks. These risks are evaluated based on their potential impact – categorised as very low, low, medium, high or very high – on HCLTech's physical infrastructure and operational vulnerabilities under various climate scenarios (RCP 4.5 and RCP8.5).</p> <p>The physical risk identification and assessment was conducted using different open-source models (<i>WWF Water Risk Filter, OS Climate, Climate Impact Explorer</i> etc). The assessment results from these tools were normalised to arrive at the final risk rating of different climate related risks on HCLTech's assets in UK. Basis the results of this assessment, financial evaluation was conducted at enterprise level for locations with Medium/ High/ Very High-risk rating.</p> <p>The results of Physical risk assessment for UK geography are given below:</p> <table border="1" data-bbox="560 1211 1353 1603"> <thead> <tr> <th rowspan="2">Type for physical risk</th> <th colspan="2">Short term</th> <th colspan="2">Medium term</th> <th colspan="2">Long term</th> </tr> <tr> <th>RCP4.5</th> <th>RCP8.5</th> <th>RCP4.5</th> <th>RCP8.5</th> <th>RCP4.5</th> <th>RCP8.5</th> </tr> </thead> <tbody> <tr> <td>Water scarcity</td> <td>Low</td> <td>Low</td> <td>Low</td> <td>Low</td> <td>Low</td> <td>Low</td> </tr> <tr> <td>Flooding</td> <td>Medium</td> <td>High</td> <td>High</td> <td>High</td> <td>High</td> <td>High</td> </tr> <tr> <td>Cyclones</td> <td>Low</td> <td>Low</td> <td>Low</td> <td>Very low</td> <td>Very low</td> <td>Very low</td> </tr> <tr> <td>Extreme rainfall</td> <td>Medium</td> <td>Medium</td> <td>Low</td> <td>Medium</td> <td>Medium</td> <td>Medium</td> </tr> <tr> <td>Heat stress</td> <td>Very low</td> <td>Very low</td> <td>Very low</td> <td>Very low</td> <td>Very low</td> <td>Very low</td> </tr> </tbody> </table> <p>Basis the physical risk assessment conducted for UK location, <b>Flooding and Extreme Rainfall</b> were identified as two physical risks that can be considered as critical under the two scenarios across different timelines. These risks were evaluated further for the potential financial impact on HCLTech's revenue/OPEX. Basis the financial evaluation, it was found that in the event of flooding or extreme rainfall there could be an operational downtime lasting up to few days which could lead to revenue loss and/or potential infrastructure loss.</p>	Type for physical risk	Short term		Medium term		Long term		RCP4.5	RCP8.5	RCP4.5	RCP8.5	RCP4.5	RCP8.5	Water scarcity	Low	Low	Low	Low	Low	Low	Flooding	Medium	High	High	High	High	High	Cyclones	Low	Low	Low	Very low	Very low	Very low	Extreme rainfall	Medium	Medium	Low	Medium	Medium	Medium	Heat stress	Very low	Very low	Very low	Very low	Very low	Very low
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## Strategic report (continued)

For the year ended 31 March 2025

TCFD Pillar	UK CFD requirement	Approach						
	<p>Description of the actual and potential impacts of the principal climate-related risks and opportunities on the Group's business model and strategy.</p>	<p>To mitigate the impact of excessive rainfall and flooding, given below are proposed actions for developing resilience to these risks:</p> <ul style="list-style-type: none"> <li>For owned office locations (primarily in India), we are implementing flood mitigation measures, including infrastructure upgrades, and improved drainage systems.</li> <li>For leased office locations, we will incorporate flood risk assessments into our site selection criteria, prioritizing properties in areas with flood exposure.</li> </ul> <p><b>Business Impact Evaluation and Forecasting:</b> In this stage, the potential implications of identified risks are analysed in the context of business operations. The focus is on projecting the impact across the defined timeframes, allowing the organisation to assess severity, quantify effects, and prioritise risk areas accordingly.</p> <p><b>Integration and Action Prioritisation:</b> Following assessment, the identified climate risks are integrated into HCLTech's enterprise risk management framework. This phase involves the prioritisation of adaptive measures and the implementation of targeted strategies to strengthen resilience and effectively address climate-related challenges.</p> <p><b>Transition Risk:</b> Under the Current Policy Scenario (SSP2, "Middle of the road scenario") and the Weak Policy Scenario (SSP5), we have identified the following transitional risks that are material to our operations by the year 2030.</p> <table border="1" data-bbox="534 1243 1372 1818"> <thead> <tr> <th data-bbox="534 1243 750 1308">Identified Transitional Risk</th> <th data-bbox="750 1243 1372 1308">Description</th> </tr> </thead> <tbody> <tr> <td data-bbox="534 1308 750 1691">Increased cost of raw material - Electricity</td> <td data-bbox="750 1308 1372 1691">As our business continues to grow, we anticipate a steady increase in total electricity consumption. However, we expect our electricity consumption intensity (energy used per unit of output) to decline over time as operational efficiencies improve. At the same time, the cost per unit of electricity is projected to rise due to external factors such as market dynamics, technological developments, and regulatory changes. This combination of increased consumption and rising unit costs will influence our overall energy expenditure. The financial impact has been estimated based on projected growth in electricity usage and anticipated increases in electricity prices.</td> </tr> <tr> <td data-bbox="534 1691 750 1818">Changing customer preferences</td> <td data-bbox="750 1691 1372 1818">One of the key opportunities we have identified are the shifting preferences of our customers, who are increasingly drawn to software solutions that improve operational efficiency without harming the environment.</td> </tr> </tbody> </table>	Identified Transitional Risk	Description	Increased cost of raw material - Electricity	As our business continues to grow, we anticipate a steady increase in total electricity consumption. However, we expect our electricity consumption intensity (energy used per unit of output) to decline over time as operational efficiencies improve. At the same time, the cost per unit of electricity is projected to rise due to external factors such as market dynamics, technological developments, and regulatory changes. This combination of increased consumption and rising unit costs will influence our overall energy expenditure. The financial impact has been estimated based on projected growth in electricity usage and anticipated increases in electricity prices.	Changing customer preferences	One of the key opportunities we have identified are the shifting preferences of our customers, who are increasingly drawn to software solutions that improve operational efficiency without harming the environment.
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## Strategic report (continued)

For the year ended 31 March 2025

TCFD Pillar	UK CFD requirement	Approach	
		<b>Identified Transitional Risk</b>	<b>Description</b>
			To seize this opportunity, we are constantly investing in R&D initiatives to enhance our existing portfolio and innovate. For identifying the financial impact for this risk, we assumed a significant portion of the revenue at risk if the climate related criteria are not met.
		Carbon pricing mechanism	HCLTech has adopted a \$10/MTCO2e internal carbon pricing mechanism in response to global carbon pricing trends and regulatory pressures. Using an ex-post model based on actual emission reductions, we aim to manage rising energy costs, maintain competitiveness, and integrate climate considerations into business operations and investment decisions effectively. The financial impact of this risk is calculated in the assumption of limiting temperature rise to 1.5°C and 2°C.
		Compliance with current climate-related regulations	<p>The tightening of global climate regulations poses significant risks, including fines, reputational damage, and loss of eligibility for public and private contracts. Non-compliance could disrupt revenue and stakeholder trust.</p> <p>To mitigate these risks, HCLTech is investing in climate-related certifications like ISO 14001:2015 and certified audits. These initiatives align operations with international standards, ensuring compliance and sustained access to key business opportunities. This proactive approach enhances resilience, protects financial stability, and reinforces HCLTech’s position as a responsible and trusted business partner.</p>
		<p><b>Opportunities</b></p> <p>Transition to energy efficient and low emission technology presents a valuable opportunity for HCLTech to enhance sustainability and operational excellence. By upgrading systems such as HVAC, lighting, UPS, and integrating solar power, we aim to reduce its environmental footprint and achieve cost savings. While these initiatives require strategic investment and upfront costs, HCLTech recognises that the long-term financial and environmental benefits significantly outweigh the initial expenditures, reinforcing its commitment to sustainable practices and more efficient infrastructure across its operations.</p>	

## Strategic report (continued)

For the year ended 31 March 2025

TCFD Pillar	UK CFD requirement	Approach
	<p>An analysis of the resilience of the Group's business model and strategy, taking into account consideration of different climate related scenarios.</p>	<p><b>Resilience strategies adopted by HCLTech</b></p> <p>We are committed to continuously strengthening our resilience to climate risks by upgrading infrastructure, reducing emissions, conserving resources, and aligning regulatory and market expectations. As part of this effort, we have undertaken the following measures at the enterprise level which are being horizontally implemented across all our geographies, including the UK (whenever and wherever feasible):</p> <ul style="list-style-type: none"> <li>• Implemented water recycling systems, reused AHU condensate, harvested rainwater, installed efficient taps, and adopted automated irrigation to significantly cut down our water consumption.</li> <li>• Installed daylight sensors and energy-efficient lighting solutions across our facilities, supported by the integration of smart energy meters for better energy monitoring.</li> <li>• Enhanced our chiller systems at key locations, resulting in energy savings and emissions reduction.</li> <li>• Upgraded our HVAC systems to improve energy efficiency</li> <li>• Transitioned to LED lighting, integrated motion sensors, and adopted daylight harvesting techniques,</li> <li>• Optimised our UPS systems based on load demand and introduced passive filters, leading to energy savings reduction in emissions.</li> <li>• Overhauled our Building Management Systems (BMS), focusing on AHU control in phases 1 and 2, which resulted in energy conserved</li> </ul>
<p>Metrics and Targets</p>	<p>A description of the targets used by the Group to manage climate-related risks and to realise climate-related opportunities and of performance against those targets.</p>	<ul style="list-style-type: none"> <li>• HCLTech has developed a strategy to cut its greenhouse gas emissions by 50% by FY 2030 and reach net-zero emissions by 2040 in line with the SBTi trajectory.</li> <li>• The plan includes goals for transitioning to renewable energy, eliminating waste sent to landfills, reducing absolute emissions, lowering Scope 3 emissions, and committing to carbon offset initiatives such as afforestation, habitat restoration, water conservation, and environmental education.</li> <li>• HCLTech monitors greenhouse gas (GHG) emissions in accordance with internationally recognised standards to ensure accurate tracking and reporting. The emissions are measured using the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition), employing the operational control approach for calculations. Emission factors are sourced from the Intergovernmental Panel on Climate Change's (IPCC) Sixth Assessment Report, The UK Department for Environment, Food and Rural Affairs (Defra), Central Electricity Authority of India (CEA), US Environment Protection Agency (EPA), Institute for Global Environmental Strategies (IGES), enabling a thorough and consistent accounting process. This methodology allows us to comprehensively assess our emissions and implement effective strategies to minimise our environmental footprint.</li> </ul>

## Strategic report (continued)

For the year ended 31 March 2025

TCFD Pillar	UK CFD requirement	Approach
	<p>The key performance indicators used to assess progress against targets used to manage climate-related risks and realise climate-related opportunities and a description of the calculations on which those key performance indicators are based.</p>	<p>As a part of our ongoing progress towards decarbonizing our operations, we periodically track our progress on the following KPIs at an organisational level and their intensity matrix on a year-on-year basis:</p> <ul style="list-style-type: none"> <li>• Scope 1, Scope 2 and Scope 3 emissions</li> <li>• Total electricity consumption (Renewable/ Non-Renewable)</li> <li>• Renewable energy used as a % of total energy consumption (including PUE)</li> <li>• Water consumption</li> <li>• Total waste generation, disposal and recycling</li> </ul> <p>Basis the trends of these KPI's, further actions are planned and implemented to ensure our progress towards the set targets.</p>

### People

We, as an organisation, are dedicated to making a positive impact on the world by focusing on our people. We continuously seek new ways to enhance and prioritise our employee wellbeing. At the heart of all our operations is the belief that our people are the driving force behind our success and the delivery of innovative solutions to our clients. Their dedication, expertise, and creativity are the pillars of our achievements, propelling us forward on our path to sustainability.

#### Our employees

We are committed to creating a safe, healthy and inclusive work environment for all employees. We prioritise our employees' satisfaction and well-being by regularly conducting employee satisfaction surveys and implementing programs to enhance workplace conditions.

#### Promoting equality

At HCLTech, we respect diversity and are deeply committed to promoting equality of opportunity. We strive to maintain a work environment free from harassment and discrimination based on race, religion, sex (including pregnancy, childbirth, and related conditions), colour, age, national origin, sexual orientation, medical condition, disability, and more. Our organisation and all our employees continue to respect, support, and promote human rights, regardless of their geographical location.

We are committed to supercharging progress towards a sustainable planet through our actions and partnerships with stakeholders. As part of this commitment, we launched the HCLTech Sustainability School and a comprehensive climate literacy learning series. This initiative aims to raise awareness of the impact of sustainability and climate change, and to build sustainability champions within our organisation. With climate change and sustainability emerging as some of the biggest challenges facing humanity, our learning series educates how we can contribute to building sustainability awareness among our employees.

## Strategic report (continued)

For the year ended 31 March 2025

HCLTech is proud to be recognised as one of the top employers in the UK by the Top Employers Institute. Our commitment to excellence and employee well-being underscores our dedication to creating a supportive and thriving work environment.

In FY24-25, the total workforce expanded to 2,274 employees which excludes contract employees. Below table represents age and gender wise data of our UK FTEs.

Age grouping	Under 30 years	30 years to 50 years	50 years and above
Female	53	242	66
Male	102	1166	645
Total	155	1408	711

### Respect for Human Rights

We are committed to upholding the highest standards of human rights and workplace well-being. To ensure this, we conduct regular independent third-party audits covering all elements of human rights.

We conduct our business legally and with respect for the dignity of all stakeholders. Our human rights policy aligns with internationally recognised standards, including the UN Declaration of Human Rights, the ILO's Declaration of Fundamental Principles and Rights at Work, and the UN's Guiding Principles on Business and Human Rights and Global Compact.

To ensure a safe and secure work environment, we grant each employee the following human rights:

- The right to safety
- The right to be heard
- The right to be informed
- The right to be redressed

We uphold the principles of the Universal Declaration of Human Rights and do not tolerate any form of human rights abuse within our value chain. We conduct regular assessments to identify potential human rights issues within our operations and supply chain.

Additionally, we ensure that no child labour is used in our supply chain, and we uphold the freedom of association and the right to organise and engage in collective bargaining for all employees and contractors.

### Policies and processes pursued related to our employees:

We uphold fair labour practices, equal opportunities and employee well-being initiatives. The policies implemented by HCLTech in relation to employee well-being and human rights are given below.

- Code of Business Ethics and Conduct: <https://www.hcltech.com/investor-relations/governance-policies/cobec>
- Occupational Health & Safety Policy: <https://www.hcltech.com/corporate/occupational-health-safety-policy>
- Whistleblower Policy: <https://www.hcltech.com/corporate/whistleblower-policy>
- Remuneration policy: <https://www.hcltech.com/corporate/remuneration-policy>

HCL Technologies UK Limited

## Strategic report (continued)

For the year ended 31 March 2025

HCLTech is dedicated to promoting gender equality and workplace diversity. Our Gender Pay Gap Report highlights our commitment to equal pay and the initiatives we have implemented to empower women within our organisation. We strive to create an inclusive environment where all employees can thrive. We recently conducted a study, the latest report is available here: <https://www.hcltech.com/corporate/gender-pay-gap-report>.

Additional policies implemented by HCLTech in relation to human rights are given below.

- o Human Rights Policy: [https://www.hcltech.com/corporate/human rights policy](https://www.hcltech.com/corporate/human%20rights%20policy)

HCLTech is committed to combating forced labour and ensuring ethical practices across our operations. HCLTech UK's Modern Slavery Statement outlines our dedication to eradicating human trafficking, child labour, and slavery within our supply chain, emphasizing strict compliance with the Modern Slavery Act 2015. Please refer our statement here: <https://www.hcltech.com/corporate/modern-slavery-statement-uk>.

### Social

At HCLTech, we leverage technology and our collective expertise to drive responsible progress on a global scale. We recognise the challenges facing our world and harness the power of our technology and the skills of our people to create meaningful change for our communities and society at large. We actively engage in social responsibility initiatives that address local needs. We perform impact evaluation exercise for all our CSR projects.

For over a decade, HCLTech UK has been a patron of The King's Trust, empowering young adults through the Get Started Programs in the UK. In 2024, HCLTech funded four Get Started with Technology programs, benefiting over 45 young adults with essential technical skills.

HCLTech UK employees participated in fundraising initiatives like Walk the Talk, where Ashish K. Gupta, CGO - Europe & A. Africa and other executives from leading UK organisations in the Technology Leadership Group (TLG) walked 20 miles to raise funds. Additionally, many employees joined the Future Steps challenge, a month-long fundraising walk in February.

### 12 Years of partnership with the King's Trust since 2013

- 30+ Get Started with Technology Programs delivered, few with our customers like Unilever, Anglo American & University of Manchester
- 4 Cup of Two DREAMS Tournaments & Mentorship Programs with customers: Hosted by HCLTech at the Old Trafford Stadium with its top customers
- 2 Palace to Palace Fundraising Events - Participation and funds raised by HCLTech UK employees
- 7 Future Steps - HCLTech UK employees have been participating in the month-long 10k steps a day challenge every year raising funds for the Trust.

HCL Technologies UK Limited

## Strategic report (continued)

For the year ended 31 March 2025

### **Policies and processes pursued related to social matters:**

We recognise our responsibility to contribute positively to the communities we serve. The policies implemented by the organisation in relation to social responsibility are given below. They apply for our locations globally.

- o CSR Policy: <https://www.hcltech.com/corporate/corporate-social-responsibility-policy>

### **Governance**

Governance and ethics form the foundation of HCLTech's organisational culture. The company meticulously designs its governance structure to instil ethical behaviour at all levels, ensuring long-term sustainability.

As regulatory standards tighten, emphasising accountability, transparency, and fairness, HCLTech remains vigilant and committed to staying abreast of current and forthcoming regulations. The company maintains a comprehensive framework of policies, processes, and systems to uphold ethical conduct and robust governance standards. Central to this framework is the Code of Business Ethics and Conduct (COBEC), which guides employee behaviour in business dealings.

### **Description of Business Relationships, Products, and Services likely to cause adverse impacts**

HCL Technologies Ltd., a global IT services provider, operate primarily through service-oriented models with a relatively low direct sustainability impact compared to several other industry sectors. However, we acknowledge that potential adverse impacts may arise through our extended supply chain, third-party vendor relationships, and hardware procurement. Risks such as data security breaches, labour issues in outsourced operations, and environmental concerns are actively managed through robust due diligence, stringent data protection and cybersecurity protocols, and responsible sourcing aligned with our enterprise sustainability and risk frameworks. These measures ensure our business relationships and service delivery reflect the highest standards of ethical, social, and environmental responsibility.

### **Managing our Principal Risks**

HCLTech recognizes the critical role of risk intelligence and management in achieving its strategic objectives, enhancing stakeholder value, and delivering high-quality services to clients.

Our Enterprise Risk Management (ERM) program is based on the ISO 31000:2018 Risk Management standard and the COSO ERM Integrated Framework. Through this program, we proactively identify, assess, mitigate, monitor, and report on enterprise risks that could affect our strategic and business goals. Additionally, our Risk Intelligence framework manages external risks by covering Political, Economic, Social, Technological, Legal, and Environmental (PESTLE) factors. This comprehensive approach enables HCLTech to effectively navigate diverse risks impacting our strategic plans.

The Risk Management Committee advises the Board on organisational risks, formulates and evaluates the ERM policy, and oversees key risks, including ESG considerations. It ensures comprehensive risk management, aligning with HCLTech's commitment to sustainability. The committee supervises the ERM framework and periodically reviews policies for effectiveness.

We, as an organisation, are committed to embedding Environmental, Social, and Governance (ESG) principles into our risk management and internal audit processes globally. By integrating ESG factors, we ensure that our operations align with sustainability goals and regulatory requirements. This approach helps us identify and mitigate non-financial risks, enhance transparency, and drive responsible business outcomes.

HCL Technologies UK Limited

## Strategic report (continued)

For the year ended 31 March 2025

Our internal audits now include ESG performance metrics, ensuring continuous improvement and accountability in our sustainability efforts. This integration underscores our dedication to creating a resilient and ethical business environment worldwide.

We are glad to share that our UK Belfast Office has been certified in ISO 14001:2015 Environmental management systems and ISO 45001:2018 Occupational health and safety management systems.

For further details, please refer to our latest annual report and sustainability report available on our website.

### **Cybersecurity and data protection**

We, as an organisation, prioritise information security and data privacy as fundamental aspects of our operations. Our comprehensive data privacy and cybersecurity program positions us to respond to the constantly evolving regulatory and security landscape.

Cybersecurity practices are aligned with the Global NIST cybersecurity framework and industry standards such as ISO 27001:2022. Our privacy program is supported by an enterprise-wide Privacy and Data Protection Framework that is tailored to accommodate the company's operations, the nature, scope and sensitivity of personal data, as well as legal, regulatory and contractual obligations, risks to data and defined privacy principles.

We have also created an extensive network of privacy and cybersecurity champions who play a critical role in embedding and reinforcing privacy and cybersecurity knowledge and best practices at an operational level. The Privacy and Cybersecurity programs are overseen by the Chief Privacy Officer (CPO) and Chief Information Security Officer (CISO) respectively. HCLTech has also appointed an external global Data Protection Officer to provide assurances, accountability and independence as necessary for complying with privacy laws.

The Risk Management Committee reviews risks related to privacy and cybersecurity. For further details, please refer to our latest annual report available on our website.

### **Anti-bribery and Anti-corruption**

Our anti-bribery management system is certified against ISO 37001:2016 and undergoes regular audits to ensure compliance and effectiveness. We provide regular anti-corruption training to all employees to maintain awareness of our policies and procedures.

### **Whistleblowing**

Our whistleblowing policy ensures that any reports are thoroughly investigated, and appropriate actions are taken. We are honoured to be recognised as one of the World's Most Ethical Companies for the second consecutive year in 2025, having demonstrated our commitment by responding to over 200 questions detailing our policies, processes, and procedures.

We also provide whistleblowing channels and reporting mechanisms to address any challenges that may arise, with periodic reviews conducted by the Ethics and Trade Compliance (E&TC) team approved by the Governing Body.

HCL Technologies UK Limited

## Strategic report (continued)

For the year ended 31 March 2025

### Policies and processes pursued related to governance:

We are committed to conducting our business in a sustainable and ethical manner and upholding the highest standards of corporate governance. We have a zero-tolerance policy for corruption and bribery. We conduct our business ethically and with transparency. The policies implemented by the organisation in relation to anti-corruption practices are given below. They apply for our locations globally.

- Code of Business Ethics and Conduct: <https://www.hcltech.com/investors/governance-policies/cobecpdf>
- Anti-Bribery & Anti-Corruption policy: <https://www.hcltech.com/corporate/anti-bribery-and-anti-corruption-policy-abac>
- Whistleblower Policy: <https://www.hcltech.com/corporate/whistleblower-policy>

This report was approved by the board of directors on 04 July 2025 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 2025

The directors present their report and the financial statements for the year ended 31 March 2025.

### Results and dividends

The profit for the year, after taxation, amounted to £33,179k (31 March 2024 - £31,741k).

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

Dividend paid during the year, amounted to Nil (31 March 2024 - £10,440k).

### Directors

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

Raghu Raman Lakshmanan

Goutam Rungta

Shiv Kumar Walia

### Future developments

Details of future developments are provided in the strategic report.

### Research and development

The research and development costs primarily include employee compensation for personnel engaged in research and development activities, travel expenses, communication expenses and facility expenses for these employees.

The Company has spent £885k (31 March 2024: £1,315k) on research & development.

### Going concern

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

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

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for 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

Details of employees are provided in Sec 172(1) statement in the strategic report.

HCL Technologies UK Limited

## Directors' report (continued)

For the year ended 31 March 2025

### 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 2025	31 March 2024
Total energy use covering electricity, gas and transport (kWh)	2,363,115	2,868,362
Total emissions generated through combustion of gas (tCO <sub>2</sub> e)	-	64
Total emissions generated through use of purchased electricity (tCO <sub>2</sub> e)	162	250
Total emissions generated through business travel (tCO <sub>2</sub> e)	367	306
Total gross emissions (tCO <sub>2</sub> e)	528	620
Intensity ratio (total gross emissions) (tCO <sub>2</sub> e per 1000 sq. ft.)	5	10
Emissions avoided by purchasing renewable electricity (tCO <sub>2</sub> e)	50	54
Total annual net emissions (tCO <sub>2</sub> e)	478	566

#### **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 2024 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. Electricity consumption figures were unavailable for March 2025 and have been estimated based on actual consumption data from other months. For transport data where actual usage data (e.g. litres) was unavailable conversions were made using average fuel consumption factors to estimate the usage. Mileage was available until 23 March 2025, therefore the remaining 8 days have been estimated based on actual data to cover the whole period.

#### **Energy efficiency action:**

During the current reporting period, no additional energy efficiency actions have been taken.

HCL Technologies UK Limited

## Directors' report (continued)

For the year ended 31 March 2025

### 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 on 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) of 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 2025

### 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 auditors, 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 04 July 2025 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 2025

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 March 2025, 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 March 2025 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 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 the date 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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Opinion on other matter prescribed by the Companies Act 2006**

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

- the information given in the Strategic Report and 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 where the Companies Act 2006 requires us to report to you if, in our opinion:

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

## **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 28, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

# 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 is detailed below:**

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

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

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

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

Our audit procedures included:

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

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

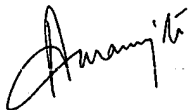
# Independent Auditor's Report to the Members of HCL Technologies UK Limited

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 behalf of KNAV Limited, Statutory Auditor**

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

Date: 4th July 2025

UAC: 2025-67-UK

HCL Technologies UK Limited

## Statement of profit and loss and other comprehensive income

For the year ended 31 March 2025

		Year ended 31 March 2025	Year ended 31 March 2024
	Note	£000	£000
Turnover	7	809,009	797,931
Cost of sales		<u>(676,673)</u>	<u>(655,632)</u>
<b>Gross profit</b>		132,336	142,299
Administrative expenses (refer note 2.1)		(105,499)	(113,165)
Other operating expenses		<u>(4,517)</u>	<u>(5,787)</u>
<b>Operating profit</b>	8	22,320	23,347
Income from shares in group companies	10	79,074	28,289
Other non-operating expenses (refer note 2.1)	11	(58,995)	(12,054)
Profit on sale of investments		-	210
Interest receivable and similar income	12	5,534	8,625
Interest payable and similar charges	13	<u>(3,821)</u>	<u>(4,492)</u>
<b>Profit before tax</b>		44,112	43,925
Tax on profit	14	<u>(10,933)</u>	<u>(12,184)</u>
<b>Profit for the year after tax</b>		<u>33,179</u>	<u>31,741</u>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<u>33,179</u>	<u>31,741</u>

The notes on pages 36 to 60 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 2025

	Note	31 March 2025 £000	31 March 2024 £000
<b>Fixed assets</b>			
Intangible assets	15	14,011	12,468
Tangible assets	16	5,846	6,613
Investment	17	293,990	327,223
		<u>313,847</u>	<u>346,304</u>
<b>Current assets</b>			
Stocks	18	2,310	1,903
Debtors: amounts falling due within one year	19	319,750	251,722
Debtors: amounts falling due after more than one year	19	27,304	46,178
Cash at bank	20	36,047	33,952
		<u>385,411</u>	<u>333,755</u>
Creditors: amounts falling due within one year	21	<u>(264,546)</u>	<u>(279,983)</u>
<b>Net current assets</b>		<u>120,865</u>	<u>53,772</u>
<b>Total assets less current liabilities</b>			
Creditors: amounts falling due after more than one year	21	(8,125)	(5,175)
<b>Provision for liabilities</b>			
Other provisions	22	(463)	(463)
<b>Net assets</b>		<u>426,124</u>	<u>394,438</u>
<b>Capital and reserves</b>			
Called up share capital	24	215,292	215,292
Other reserves	25	(203)	(203)
Retained earnings		211,035	179,349
<b>Shareholder's funds</b>		<u>426,124</u>	<u>394,438</u>

The financial statements were approved and authorised for issue by the board of directors and were signed on its behalf on 04 July 2025.



Shiv Kumar Walia  
Director



Goutam Rungta  
Director

The notes on pages 36 to 60 form part of these financial statements.

HCL Technologies UK Limited

## Statement of changes in equity

For the year ended 31 March 2025

	Share capital £000	Other reserves £000	Retained earnings £000	Total equity £000
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 cost	-	-	(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
<b>As at 1 April 2024</b>	<b>215,292</b>	<b>(203)</b>	<b>179,349</b>	<b>394,438</b>
Profit for the year	-	-	33,179	33,179
Total comprehensive income for the year	-	-	33,179	33,179
Share based payment cost	-	-	(1,340)	(1,340)
Excess tax expense on share based payment	-	-	(153)	(153)
Total transactions with the owners	-	-	(1,493)	(1,493)
As at 31 March 2025	215,292	(203)	211,035	426,124

The notes on pages 36 to 60 form part of these financial statements.

HCL Technologies UK Limited

## Notes to the financial statements

For the year ended 31 March 2025

### 1. Company information

HCL Technologies UK Limited ('the Company') is a private company, limited by shares, incorporated in England. The registered office is on 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 and on a going concern basis.

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 Pound 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 on <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 and paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A

This information is included in the consolidated financial statements of its ultimate parent company, HCL Technologies Limited as at 31 March 2025 and these financial statements may be obtained from the Companies registry in India and also available on Company's website on <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 at least 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.

## Notes to the financial statements

For the year ended 31 March 2025

### 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 fulfil 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 value added 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 software revenue.

## Notes to the financial statements

For the year ended 31 March 2025

### 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 the 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 sales.

## Notes to the financial statements

For the year ended 31 March 2025

### 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 sales.

#### 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 - 9 Years
Customer contracts	-	1.5 - 3 Years

#### 2.7 Business combinations

Business combinations are generally accounted for by applying the purchase method. The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination. On acquisition of a business, fair values are attributed to the identifiable assets, liabilities and contingent liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill. Intangible assets are only recognised separately from goodwill where they are separable and arise from contractual or other legal rights.

## Notes to the financial statements

For the year ended 31 March 2025

### 2. Accounting policies (continued)

#### 2.8 Tangible fixed assets

Tangible fixed assets are 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.

#### 2.9 Investments

Investments in subsidiaries and associates are measured at cost less accumulated impairment. Other investments are measured at fair value through profit and loss.

#### 2.10 Impairment of assets

At each reporting date, non-financial assets 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 (higher of fair value less cost to sell and value in use) 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 2025

### 2. Accounting policies (continued)

#### 2.11 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.

#### 2.12 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.

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

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 2025

### 2. Accounting policies (continued)

#### 2.13 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.

#### 2.14 Accrued income

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

#### 2.15 Foreign currency translation

The financial statements of the Company are presented in Pound 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 Statement of financial position 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.

#### 2.16 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.

#### 2.17 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 2025

### 2. Accounting policies (continued)

#### 2.18 Interest income

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

#### 2.19 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.

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.

#### 2.20 Operating leases

Leases that do not transfer all the risks and rewards of ownership are classified as 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.

#### 2.21 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 2025

### 2. Accounting policies (continued)

#### 2.22 Leased assets: lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to Statement of profit and loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

#### 2.23 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.

#### 2.24 Share based payments

Certain employees of the Company are covered under the share based compensation plans ("the Plan") 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.

#### 2.25 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.

#### 2.26 Provisions and contingencies

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

## Notes to the financial statements

For the year ended 31 March 2025

### 2.26 Provisions and contingencies (continued)

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

### 2.27 Research and development expense

Research costs are expensed as incurred. Development expenditure, on an individual project, is recognized as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Subsequently, following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses.

Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. Amortization expense is recognized in the Statement of profit and loss. During the period of development, the asset is tested for impairment annually.

### 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 £1,923k (31 March 2024 - £1,642k).

#### *Accrued income*

Using information available at the balance sheet date, the Directors make assumptions on the estimated accrued income, based on the level of efforts required to account for potential accrued income. Accrued income as at 31 March 2025 is £60,472k (31 March 2024 - £42,521k).

#### *Revenue from fixed price projects*

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

## Notes to the financial statements

For the year ended 31 March 2025

### 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 £54,552k (31 March 2024 - £6,906k) was recognised.

#### *Provision for uncertain tax position*

Basis the benchmarking analysis performed, the Company believes a 5.8% margin on overall UK revenue is at arm's length for the purpose of tax calculation under BAPA filings made to tax authorities (for which formal agreement resolution is yet to be reached) for the period starting 01 April 2019 to 31 March 2024 and accordingly the Company has estimated income tax expense of £3,470k, net of reversal for the period 01 April 2018 to 31 March 2019 (31 March 2024 - £3,980k).

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 ASAP Holding GmbH

On 12 July 2023, the Company 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 €231,945k.

The acquisition was completed on 31 August 2023.

### 5. Acquisition of Zeenea SAS

On 16 August 2024, the Company signed a definitive agreement to acquire 100% shareholding of Zeenea SAS, an innovator in data catalog and governance solutions based in France, for consideration payable in cash amounting to £19,959k on acquisition date. The acquisition got consummated on 12 September 2024.

The Company has received back £321k on account of subsequent working capital adjustments which has been adjusted against investment value.

### 6. Acquisition of business related to certain assets of Communications Technology Group (CTG) from Hewlett Packard Enterprise (HPE)

On 23 May 2024, HCL Group signed a definitive agreement to carve-out and acquire business related to certain intellectual property rights (IPs), customer relationships with global Communication Service Providers (CSPs) along with Engineering and R&D talent of Communications Technology Group (CTG) from HPE. The acquisition got consummated, post-regulatory approvals, on 1 December 2024.

The acquisition will enable HCL Group to gain a portfolio of service offerings that includes industry-leading IPs, solutions and system integration around Business Support Systems (BSS), network applications, service cloudification and data intelligence.

## Notes to the financial statements

For the year ended 31 March 2025

### 6. Acquisition of business related to certain assets of Communications Technology Group (CTG) from Hewlett Packard Enterprise (HPE) (continued)

The Company had paid the purchase price of £1,312k which has been preliminarily allocated based on management estimates to the acquired assets and liabilities as follows:

	<b>£000</b>
Total purchase consideration	1,312
Identifiable assets acquired and liabilities assumed:	
Customer relationships	2,046
Customer contracts	488
Deferred revenue	(2,321)
Deferred tax liabilities	(633)
Total identifiable net assets	<u>(420)</u>
Goodwill	<u>1,732</u>

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

Goodwill	10 years
Customer relationships	9 years
Customer contracts	1.5 years

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

### 7. 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 Research & Development (R&D) services and services related to HCL software.

Analysis of turnover by geographical market:

	Year ended 31 March 2025 £000	Year ended 31 March 2024 £000
United Kingdom	657,206	594,801
Rest of world	151,803	203,130
	<u>809,009</u>	<u>797,931</u>

Analysis of turnover by nature

	Year ended 31 March 2025 £000	Year ended 31 March 2024 £000
Software revenue	778,608	781,298
Product revenue	30,401	16,633
	<u>809,009</u>	<u>797,931</u>

## Notes to the financial statements

For the year ended 31 March 2025

### 8. Operating profit

The operating profit is derived after charging:

	Year ended 31 March 2025 £000	Year ended 31 March 2024 £000
Depreciation	2,879	3,717
Amortisation (included within administrative expenses)	2,723	2,614
Fees payable to the Company's auditor for the audit of the Company's financial statements	48	75
Exchange loss	4,595	4,235
Fair value changes in other investment	731	1,698
Research & development cost	885	1,315
Operating lease rentals	<u>2,550</u>	<u>1,720</u>

Provision for impairment of investment of £6,906k & provision on loan given to group companies of £5,148k were included in administrative expenses in previous year and have been reclassified to other non-operating expenses in current year for better presentation.

### 9. Directors & employees

Staff costs including directors remuneration were as follows:

	Year ended 31 March 2025 £000	Year ended 31 March 2024 £000
Wages and salaries	228,696	224,876
Social security costs	26,747	23,636
Cost of defined contribution scheme	8,584	7,523
	<u>264,027</u>	<u>256,035</u>

#### Directors remuneration

	Year ended 31 March 2025 £000	Year ended 31 March 2024 £000
Directors emoluments	578	1,304
Company's contributions to defined contribution pension schemes	11	9
	<u>589</u>	<u>1,313</u>

The highest paid director received remuneration of £589k (31 March 2024 - £965k).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £11k (31 March 2024 - Nil).

Out of all the directors, one director received remuneration from this entity in the current year and two directors received remuneration in the previous year. 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.

## Notes to the financial statements

For the year ended 31 March 2025

### 9. Directors & employees (continued)

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

All directors are eligible to receive shares under the Plan. Refer Note 28 for further details. Of these, the cost for one of the director was recognised in this Company till his resignation in October 2024.

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

	Year ended 31 March 2025 No.	Year ended 31 March 2024 No.
Technical	2,437	2,481
Sales and marketing	268	287
Administration	72	76
	<u>2,777</u>	<u>2,844</u>

### 10. Income from shares in group companies

	Year ended 31 March 2025 £000	Year ended 31 March 2024 £000
HCL Investments UK Limited	14,398	9
HCL (Ireland) Information Systems Limited	14,746	-
HCL Technologies Sweden AB	38,779	15,250
HCL Technologies Finland OY	8,321	8,607
HCL Technologies B.V.	2,749	-
Datawave (An HCL Technologies Company) Limited	81	-
Celeritifintech Limited	-	2,751
Celeritifintech Services Limited	-	1,672
	<u>79,074</u>	<u>28,289</u>

### 11. Other non-operating expenses

	Year ended 31 March 2025 £000	Year ended 31 March 2024 £000
Provision for impairment of investment*	54,552	6,906
Provision on loan given to group companies*	4,443	5,148
	<u>58,995</u>	<u>12,054</u>

\*Provision for impairment of investment of £6,906k & provision on loan given to group companies of £5,148k were included in administrative expenses in previous year and have been reclassified to other non-operating expenses in current year for better presentation.

## Notes to the financial statements

For the year ended 31 March 2025

### 12. Interest receivable and similar income

	Year ended 31 March 2025 £000	Year ended 31 March 2024 £000
Interest receivable from group companies	1,644	3,775
Interest on fixed deposit, current account and other receivables	3,890	4,850
	<u>5,534</u>	<u>8,625</u>

### 13. Interest payable and similar charges

	Year ended 31 March 2025 £000	Year ended 31 March 2024 £000
Interest payable to group companies	914	2,923
Bank charges and others	52	70
Finance costs	2,855	1,499
	<u>3,821</u>	<u>4,492</u>

### 14. Taxation on profit

	Year ended 31 March 2025 £000	Year ended 31 March 2024 £000
<b>Corporation tax</b>		
Current tax on profit for the year	5,771	8,408
Adjustments in respect of previous periods	387	(72)
Provision on uncertain tax position	3,470	3,980
Others (withholding tax)	491	426
<b>Total current tax</b>	<u>10,119</u>	<u>12,742</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	1,221	(833)
Adjustments in respect of previous periods	(407)	275
<b>Total deferred tax</b>	<u>814</u>	<u>(558)</u>
<b>Taxation on profit</b>	<u>10,933</u>	<u>12,184</u>

#### Factors affecting tax charge for the year

Tax assessed for the year is lower (31 March 2024: higher) than the standard rate of corporation tax in the UK for the year ended 31 March 2025 of 25% (31 March 2024: 25%):

## Notes to the financial statements

For the year ended 31 March 2025

### 14. Taxation on profit (continued)

	Year ended 31 March 2025 £000	Year ended 31 March 2024 £000
Profit before tax	<u>44,112</u>	<u>43,925</u>
Profit multiplied by standard rate of corporation tax in the UK of 25% (31 March 2024 - 25%)	11,028	10,981
<b>Effects of</b>		
Non - deductible expenses	110	5
Impairment of investment	13,638	1,726
Non - taxable dividend income	(19,768)	(7,072)
Provision for uncertain tax position	3,470	3,980
Amortization of goodwill	453	753
Adjustment in respect of prior periods	(20)	203
Foreign tax credit claimed as deduction	(55)	(105)
Others	2,077	1,713
<b>Total tax charge for the year</b>	<u>10,933</u>	<u>12,184</u>

The Company has filed for Bilateral Advance Pricing Agreements (BAPA) for the period beginning from 1 April 2019 to 31 March 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.

The Company has reversed the provision for uncertain tax position of FY 2018-19 of £1,645k due to the expiration of limitation period for tax assessment.

### 15. Intangible assets

	Customer relationships £000	Goodwill £000	Customer contracts £000	Total £000
<b>Cost</b>				
At 1 April 2024	4,538	18,385	963	23,886
Additions	<u>2,046</u>	<u>1,732</u>	<u>488</u>	<u>4,266</u>
At 31 March 2025	<u>6,584</u>	<u>20,117</u>	<u>1,451</u>	<u>28,152</u>
<b>Amortisation</b>				
At 1 April 2024	2,973	8,311	134	11,418
Charge for the year	<u>481</u>	<u>1,813</u>	<u>429</u>	<u>2,723</u>
At 31 March 2025	<u>3,454</u>	<u>10,124</u>	<u>563</u>	<u>14,141</u>
<b>Net book value</b>				
At 31 March 2025	<u>3,130</u>	<u>9,993</u>	<u>888</u>	<u>14,011</u>
At 31 March 2024	<u>1,565</u>	<u>10,074</u>	<u>829</u>	<u>12,468</u>

HCL Technologies UK Limited

## Notes to the financial statements

For the year ended 31 March 2025

### 16. 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 2024	589	2,978	12,912	800	2,531	-	902	20,712
Additions	56	3	854	6	-	18	1,175	2,112
Disposals	-	-	(154)	-	(100)	-	-	(254)
At 31 March 2025	<u>645</u>	<u>2,981</u>	<u>13,612</u>	<u>806</u>	<u>2,431</u>	<u>18</u>	<u>2,077</u>	<u>22,570</u>
<b>Depreciation</b>								
At 1 April 2024	244	1,499	9,397	611	2,094	-	254	14,099
Charge for the year	63	323	1,808	135	203	-	347	2,879
Disposal	-	-	(154)	-	(100)	-	-	(254)
At 31 March 2025	<u>307</u>	<u>1,822</u>	<u>11,051</u>	<u>746</u>	<u>2,197</u>	<u>-</u>	<u>601</u>	<u>16,724</u>
<b>Net book value</b>								
At 31 March 2025	<u>338</u>	<u>1,159</u>	<u>2,561</u>	<u>60</u>	<u>234</u>	<u>18</u>	<u>1,476</u>	<u>5,846</u>
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>

## Notes to the financial statements

For the year ended 31 March 2025

### 17. Investment

	31 March 2025 £000	31 March 2024 £000
<b>Investments in subsidiaries, associates &amp; other investments</b>		
Cost at 1 April	327,223	127,329
Addition	22,050	209,661
Disposal	-	(1,163)
Provision for impairment of investments*	(54,552)	(6,906)
Fair value changes in other investments	(731)	(1,698)
<b>Net book value at 31 March</b>	<b>293,990</b>	<b>327,223</b>

The provision for investment impairment made by the Company is primarily due to a temporary decline in business, which has been affected by adverse local economic factors impacting the immediate growth of the subsidiary.

#### Subsidiary undertakings & associates

The directors believe that the book value of investments is supported by their underlying net assets. During the year, Company has made investments in Zeenea SAS and additional investment in HCL Japan Limited, HCL Vietnam Company Limited & HCL Technologies Egypt Limited.

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%	No-137, Ground Floor, Vayu Block, 'B' Wing, Salarpuria GR Tech Park, Whitefield, Bengaluru, Karnataka - 560 066, India
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

HCL Technologies UK Limited

## Notes to the financial statements

For the year ended 31 March 2025

### 17. 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%	6 <sup>th</sup> 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. 1941, 19th Floor, North Tower, Nile City Towers, Cornich El Nile, 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%	D Zalgirio av. 90, Vilnius, Lithuania
HCL Technologies Taiwan Ltd.	Taiwan	Ordinary	100%	(110) 18F., No. 460, Sec 4, Xinyi Road, Xinyi Dist, Taipei, Taiwan
HCL Technologies Corporate Services Limited	UK	Ordinary	100%	6 <sup>th</sup> Floor, 70 Gracechurch Street, London EC3V 0XL, England
HCL Great Britain Limited	UK	Ordinary	100%	6 <sup>th</sup> Floor, 70 Gracechurch Street, London EC3V 0XL, England
HCL Technologies Trinidad and Tobago Limited	Trinidad and Tobago	Ordinary	100%	109 St. Vincent Street. Port of Spain 100811, 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
Zeenea SAS	France	Ordinary	100%	156 boulevard Haussmann, 75008 Paris, France

## Notes to the financial statements

For the year ended 31 March 2025

## 17. Investments (continued)

HCL Istanbul Bilisim Teknolojileri Limited Sirketi	Turkey	Ordinary	100%	Maslak Meydan District No:3 Veko Giz Plaza 14 <sup>th</sup> 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%	17 <sup>th</sup> Floor, Leadvisors Tower, No. 643 Pham Van Dong, Co Nhue 1 Ward, Bac Tu Liem District, Hanoi City, Vietnam
HCL Technologies S.A.C. <sup>^</sup>	Peru	Ordinary	99.96%	Av. Camino Real Nro. 456 Int. 1202 Urb. Centro Comercial Camino Real Lima - Lima - San Isidro
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
HCL Technologies Switzerland AG (erstwhile Confinale AG)	Switzerland	Ordinary	100%	Limmatstrasse 107, 8005 Zürich, Switzerland
HCL Technologies Slovakia s. r. o. <sup>^</sup>	Slovakia	Ordinary	99.99%	Dvořákovo nábrežie 4 Bratislava - mestská časť Staré Mesto 81102, Slovenská republika
HCL Technologies Morocco Limited <sup>^</sup>	North Africa	Ordinary	99.99%	15 Av AL Abtal N 4 Agdal Rabat, Morocco

<sup>^</sup>Balance shares are wholly owned within HCL group

#Celeritifintech Limited &amp; Celeritifintech Services Limited are under liquidation

## Other investments:

Name	Country of incorporation	Holding	Registered address
Om Mobile Ventures	Cayman Islands	4%	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

## Notes to the financial statements

For the year ended 31 March 2025

## 18. Stocks

	Year ended 31 March 2025 £000	Year ended 31 March 2024 £000
Finished goods and goods for resale	2,310	1,903
	<u>2,310</u>	<u>1,903</u>

## 19. Debtors

	Year ended 31 March 2025 £000	Year ended 31 March 2024 £000
<b>Due within one year</b>		
Trade debtors	116,325	132,256
Amounts owed by group undertakings	75,110	68,783
Deferred costs	2,697	3,408
Accrued income	29,242	34,592
Other debtors	7,298	1,503
Prepayments	11,528	10,021
Net investment in finance leases	1,550	1,159
Fixed deposits with bank	76,000	-
	<u>319,750</u>	<u>251,722</u>

Trade debtors are stated after provision for doubtful debts of £1,923k (31 March 2024 - £1,642k).

Amounts owed by group undertakings includes short term loans given to group companies incurring interest at various interest rates based upon LIBOR (effective upto 30 June 2024) /SOFR/SONIA + variable bps, are unsecured and repayable on due date/demand.

	Year ended 31 March 2025 £000	Year ended 31 March 2024 £000
<b>Due after more than one year</b>		
Deferred costs	2,709	6,898
Prepayments and deposits	3,430	1,036
Accrued income	9,240	2,545
Deferred tax	1,889	4,060
Amount owed by group undertaking	6,766	30,030
Net investment in finance leases	1,035	1,609
Other debtors	2,235	-
	<u>27,304</u>	<u>46,178</u>

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

## Notes to the financial statements

For the year ended 31 March 2025

### 19. Debtors (continued)

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

	Year ended 31 March 2025 £000	Year ended 31 March 2024 £000
<b>Gross investment:</b>		
Within one year	1,625	1,220
Within two to five years	1,112	1,655
	<u>2,737</u>	<u>2,875</u>
Less: Finance income allocated to future periods	(152)	(107)
	<u>2,585</u>	<u>2,768</u>
	Year ended 31 March 2025 £000	Year ended 31 March 2024 £000
<b>Net investment:</b>		
Within one year	1,550	1,159
Within two to five years	1,035	1,609
	<u>2,585</u>	<u>2,768</u>

### 20. Cash and cash equivalents

	Year ended 31 March 2025 £000	Year ended 31 March 2024 £000
Cash at bank	5,047	33,952
Fixed deposits	31,000	-
	<u>36,047</u>	<u>33,952</u>

### 21. Creditors: amounts falling due within one year

	Year ended 31 March 2025 £000	Year ended 31 March 2024 £000
Trade creditors	34,077	25,549
Amounts owed to group undertakings	114,630	133,678
Corporation tax	20,739	16,433
Obligations under finance lease & hire purchase contracts	2,301	2,975
Taxation and social security	20,456	20,368
Other creditors	551	6,188
Bank overdraft	4,813	171
Accruals and deferred income	66,979	74,621
	<u>264,546</u>	<u>279,983</u>

Amounts owed to group undertakings includes short term loans taken from group companies incurring interest at various interest rates based upon LIBOR (effective upto 30 June 2024) /SONIA/SOFR + variable bps, are unsecured and repayable on demand/due date.

## Notes to the financial statements

For the year ended 31 March 2025

### 21. Creditors: amounts falling due after more than one year

	Year ended 31 March 2025 £000	Year ended 31 March 2024 £000
Amounts owed to group undertakings	1,232	124
Obligations under finance lease & hire purchase contracts	2,412	1,114
Accruals and deferred income	4,481	3,937
	<u>8,125</u>	<u>5,175</u>

The maturity of obligations under finance lease is as follows:

	Year ended 31 March 2025 £000	Year ended 31 March 2024 £000
Not later than 1 year	2,486	2,975
Later than 1 year and not later than 5 years	2,582	1,114
Total lease payments	5,068	4,089
Less: Interest	(355)	(102)
Total lease liabilities	<u>4,713</u>	<u>3,987</u>

### 22. Other provisions

	Dilapidation costs £000
Provisions for dilapidation costs	
At 1 April 2024	463
At 31 March 2025	<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.

### 23. Deferred taxation

The provision for deferred taxation is made up as follows:

	Year ended 31 March 2025 £000	Year ended 31 March 2024 £000
Accelerated capital allowances	1,070	1,289
Intangibles	(955)	(549)
Share based payment	641	2,906
Employee benefits	526	414
Other timing differences	607	-
	<u>1,889</u>	<u>4,060</u>

## Notes to the financial statements

For the year ended 31 March 2025

### 24. Share capital

	Year ended 31 March 2025 £000	Year ended 31 March 2024 £000
<b>Allotted, called up and fully paid</b>		
279,142,191 (31 March 2024 - 279,142,191) ordinary shares of \$1	<u>215,292</u>	<u>215,292</u>

### 25. Other reserves

The other reserves of (£203k) (31 March 2024 - (£203k)) arose at the time of purchase of business of Point to Point Limited (P2P) under group reconstruction.

### 26. Pension commitments

The Company operates a defined contribution pension scheme. The pension charge for the year is £8,584k (31 March 2024 - £7,523k). The balance outstanding as at 31 March 2025 is £1,814k (31 March 2024 - £1,537k).

### 27. Commitments

#### Capital commitments

As at 31 March 2025, the Company has contractual commitment of £290k (31 March 2024 - £390k).

#### 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 £2,298k (31 March 2024 - £1,522k) includes leases entered in the current year but not renewed at year end.

At 31 March 2025, the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Year ended 31 March 2025 £000	Year ended 31 March 2024 £000
Not later than 1 year	1,315	1,394
Later than 1 year and not later than 5 years	<u>2,656</u>	<u>4,379</u>
	<u>3,971</u>	<u>5,773</u>

## Notes to the financial statements

For the year ended 31 March 2025

### 27. Commitments (continued)

#### Commitments under operating lease

##### 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 £252k (31 March 2024 - £198k).

	Year ended 31 March 2025 £000	Year ended 31 March 2024 £000
Not later than 1 year	194	369
Later than 1 year and not later than 5 years	65	196
	<u>259</u>	<u>565</u>

#### Corporate guarantee

The Company has given corporate guarantee on behalf of fellow subsidiaries amounting to £262,977k (31 March 2024 - £171,391k).

### 28. Share based payments

The total cost for the year relating to employee share based payment plans was £2,016k (31 March 2024 - £3,907k), 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 to HCLT is £1,972k (31 March 2024 - £8,121k).

### 29. 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.

### 30. 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 incorporated in India.

The largest and smallest group of undertaking for which group financial results have been 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 information is included in the consolidated financial statements of its ultimate parent company, HCL Technologies Limited as at 31 March 2025 and the consolidated financial statements are available to the public on the Company's website at <https://www.hcltech.com>.