# Axon Group Limited

Special Purpose Financial Statements

For the Year ended 31st March 2020

**Axon Group Limited**

**Special Purpose Balance sheet as at 31 March 2020**

**(All amount are in thousands except stated otherwise)**

| | | Note No. | As at 31 March 2020 (GBP) | As at 31 March 2020 (₹) |
|---|---|---|---|---|
| **I.** | **ASSETS** | | | |
| | **(1) Non-current assets** | | | |
| | (a) Financial assets | | | |
| | (i) Investments | **2.1** | 191,038 | 17,870,341 |
| | **(2) Current assets** | | | |
| | (a) Financial assets | | | |
| | (i) Cash and cash equivalents | **2.2** | 4,322 | 404,323 |
| | (ii) Others | **2.3** | 31 | 2,933 |
| | **TOTAL ASSETS** | | **195,391** | **18,277,597** |
| **II.** | **EQUITY** | | | |
| | (a) Equity share capital | **2.4** | 678 | 63,424 |
| | (b) Other equity | | 194,658 | 18,209,126 |
| | **TOTAL EQUITY** | | **195,336** | **18,272,550** |
| **III.** | **LIABILITIES** | | | |
| | **(1) Current liabilities** | | | |
| | (a) Financial liabilities | | | |
| | (i) Others | **2.5** | 8 | 719 |
| | (b) Other current liabilities | **2.6** | 26 | 2,376 |
| | (c) Current tax liabilities (net) | | 21 | 1,952 |
| | **TOTAL EQUITY AND LIABILITIES** | | **195,391** | **18,277,597** |
| | **Summary of significant accounting policies** | **1** | | |

The accompanying notes are an integral part of the special purpose financial statements

As per our report of even date

**FOR B S R & Co. LLP**
**Chartered Accountants**
**ICAI Firm Registration Number : 101248W/W-100022**

ANURAG KUMAR MAHESHWARY Digitally signed by ANURAG KUMAR MAHESHWARY Date: 2020.09.15 19:04:37 +05'30'

**Anurag Maheshwary**
Partner
Membership Number: 506533

Gurugram, India
Date: 15 Sept 2020

**For and on behalf of the Board of Directors of Axon Group Limited**

SHIV KUMAR WALIA Digitally signed by SHIV KUMAR WALIA Date: 2020.09.15 17:07:55 +05'30'

**Shiv Kumar Walia**
Director

Berkshire, UK
Date : 15 Sept 2020

RAHUL SINGH Digitally signed by RAHUL SINGH Date: 2020.09.15 17:08:13 +05'30'

**Rahul Singh**
Director

Gurugram, India

**Axon Group Limited**

**Special Purpose Statement of Profit and Loss for the year ended 31 March 2020**

**(All amount are in thousands except stated otherwise)**

| | | Note No. | Year ended 31 March 2020 (GBP) | Year ended 31 March 2020 (₹) |
|---|---|---|---|---|
| I | **Revenue** | | | |
| | Other income | **2.7** | 24,692 | 2,309,818 |
| | **Total income** | | **24,692** | **2,309,818** |
| II | **Expenses** | | | |
| | Finance costs | **2.8** | 26 | 2,478 |
| | Other expense | **2.9** | 17 | 1,626 |
| | **Total expenses** | | **43** | **4,104** |
| III | **Profit before tax** | | **24,649** | **2,305,714** |
| IV | **Tax expense** | | | |
| | Current tax expense | **2.10** | 642 | 60,055 |
| | Total tax expense | | **642** | **60,055** |
| V | **Profit for the year** | | **24,007** | **2,245,659** |
| VI | **Total comprehensive income for the year** | | **24,007** | **2,245,659** |
| | **Earnings per equity share** | **2.11** | | |
| | Basic | | 0.35 | 0.03 |
| | Diluted | | 0.35 | 0.03 |
| | **Summary of significant accounting policies** | **1** | | |

The accompanying notes are an integral part of the special purpose financial statements

As per our report of even date

**FOR B S R & Co. LLP**
**Chartered Accountants**
**ICAI Firm Registration Number : 101248W/W-100022**

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**Anurag Maheshwary**
Partner
Membership Number: 506533
Gurugram, India

Date: 15 Sept 2020

**For and on behalf of the Board of Directors of Axon Group Limited**

SHIV KUMAR WALIA Digitally signed by SHIV KUMAR WALIA Date: 2020.09.15 17:09:00 +05'30'

**Shiv Kumar Walia**
Director
Berkshire, UK

Date : 15 Sept 2020

RAHUL SINGH Digitally signed by RAHUL SINGH Date: 2020.09.15 17:08:31 +05'30'

**Rahul Singh**
Director
Gurugram, India

**Axon Group Limited**

**Special Purpose Statement of Changes in Equity for the year ended 31 March 2020**

**(All amount are in thousands except stated otherwise)**

**(Amount in GBP)**

| | Equity share capital | | Other equity | | | | Total other equity |
|---|---|---|---|---|---|---|---|
| | Number of shares | Share capital | Reserves and surplus | | | | |
| | | | Retained earnings | Securities premium | Capital reserve | Other | |
| **Balance as at 1 April 2019** | 67,820,332 | 678 | 22,671 | 43,767 | 101,654 | 23,720 | **191,812** |
| Profit for the year | - | - | 24,007 | - | - | - | **24,007** |
| **Total comprehensive income for the year** | - | - | 24,007 | - | - | - | **24,007** |
| **Contributions by and distributions to owners** | | | | | | | |
| Dividend for the year | | | (21,160) | - | - | - | **(21,160)** |
| **Balance as at 31 March 2020** | 67,820,332 | 678 | 25,518 | 43,767 | 101,654 | 23,720 | **194,658** |

**(Amount in INR)**

| | Equity share capital | | Other equity | | | | Total other equity |
|---|---|---|---|---|---|---|---|
| | Number of shares | Share capital | Reserves and surplus | | | | |
| | | | Retained earnings | Securities premium | Capital reserve | Other | |
| **Balance as at 1 April 2019** | 67,820,332 | 63,424 | 2,120,721 | 4,094,135 | 9,509,127 | 2,218,861 | **17,942,844** |
| Profit for the year | - | - | 2,245,659 | - | - | - | **2,245,659** |
| **Total comprehensive income for the year** | - | - | 2,245,659 | - | - | - | **2,245,659** |
| **Contributions by and distributions to owners** | | | | | | | |
| Dividend for the year | | | (1,979,377) | - | - | - | **(1,979,377)** |
| **Balance as at 31 March 2020** | 67,820,332 | 63,424 | 2,387,003 | 4,094,135 | 9,509,127 | 2,218,861 | **18,209,126** |

**Refer note 1 for summary of significant accounting policies**

The accompanying notes are an integral part of the special purpose financial statements

As per our report of even date

**FOR B S R & Co. LLP**
**Chartered Accountants**
**ICAI Firm Registration Number : 101248W/W-100022**

ANURAG KUMAR MAHESHWARY Digitally signed by ANURAG KUMAR MAHESHWARY Date: 2020.09.15 19:06:30 +05'30'

**Anurag Maheshwary**
Partner
Membership Number: 506533
Gurugram, India
Date : 15 Sept 2020

**For and on behalf of the Board of Directors**
**of Axon Group Limited**

SHIV KUMAR WALIA Digitally signed by SHIV KUMAR WALIA Date: 2020.09.15 17:09:13 +05'30'

**Shiv Kumar Walia**
Director
Berkshire, UK
Date : 15 Sept 2020

RAHUL SINGH Digitally signed by RAHUL SINGH Date: 2020.09.15 17:09:26 +05'30'

**Rahul Singh**
Director
Gurugram, India

**Axon Group Limited**

**Special Purpose Statement of Cash flows for the year ended 31 March 2020**

**(All amount are in thousands except stated otherwise)**

| | | Year ended 31 March 2020 (GBP) | Year ended 31 March 2020 (₹) |
|---|---|---|---|
| **A. Cash flows from operating activities** | | | |
| Profit before tax | | 24,649 | 2,305,714 |
| **Adjustment for:** | | | |
| Interest expenses | | 24 | 2,248 |
| Dividend income | | (24,524) | (2,294,085) |
| Interest income | | (103) | (9,679) |
| **Operating profit before working capital changes** | | **46** | **4,198** |
| **Movement in working capital** | | | |
| (Increase)/Decrease in other financial assets and other assets | | (8) | (715) |
| Increase/(Decrease) in provisions, other financial liabilities and other liabilities | | 5 | 466 |
| **Cash (used in)/generated from operations** | | **43** | **3,949** |
| Direct taxes paid | | (618) | (57,843) |
| **Net cash flow (used in) operating activities** | **(A)** | **(575)** | **(53,894)** |
| **B. Cash flow from investing activities** | | | |
| Dividend received | | 24,524 | 2,294,085 |
| Interest received | | 103 | 9,679 |
| **Net cash inflow from investing activities** | **(B)** | **24,627** | **2,303,764** |
| **C. Cash flows from financing activities** | | | |
| Proceeds from short term borrowings | | 500 | 46,772 |
| Repayment of short term borrowings | | (1,250) | (116,930) |
| Dividend paid | | (21,160) | (1,979,377) |
| Interest paid | | (73) | (6,804) |
| **Net cash inflow (used in) /from financing activities** | **(C)** | **(21,983)** | **(2,056,339)** |
| Net increase in cash and cash equivalents (A+B+C) | | 2,069 | 193,531 |
| Cash and cash equivalents at the beginning of the year | | 2,253 | 210,792 |
| **Cash and cash equivalents at the end of the year as per note 2.2** | | **4,322** | **404,323** |
| **Summary of significant accounting policies ( Note 1)** | | | |

The accompanying notes are an integral part of the special purpose financial statements

As per our report of even date.

**FOR B S R & Co. LLP**
**Chartered Accountants**
**ICAI Firm Registration Number : 101248W/W-100022**

ANURAG KUMAR MAHESHWARY Digitally signed by ANURAG KUMAR MAHESHWARY Date: 2020.09.15 19:08:48 +05'30'

**Anurag Maheshwary**
Partner
Membership Number: 506533
Gurugram, India

Date : 15 Sept 2020

**For and on behalf of the Board of Directors of Axon Group Limited**

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**Shiv Kumar Walia**
Director
Berkshire, UK

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**Rahul Singh**
Director
Gurugram, India

Date : 15 Sept 2020

## ORGANIZATION AND NATURE OF OPERATIONS

Axon Group Limited (hereinafter referred to as 'the Company'). The company acts as a parent and has invested in subsidiaries which are engaged in business of providing IT and Business Services, Engineering and R&D Services, and Products & Platforms services. The Company was incorporated on August 14, 1997 in UK, having its registered office at Axon Centre, Church Road, Egham, Surrey, TW20 9QB, United Kingdom.
The special purpose financial statements for the year ended 31 March, 2020 were approved and authorized for issue by the Board of Directors on _____.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### *(a) Basis of preparation as per financial statement:*

The special purpose financial statements of the Company have been prepared in accordance with recognition and measurement principle laid down in Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) adopted by the Ultimate Holding Company for the preparation of its consolidated financial statements. The company is not domiciled in India and hence was not incorporated under the Companies Act, 2013 or under any previous Company law in India. These special purpose financial statements have been prepared on the request of the Ultimate Holding Company to comply with the financial reporting requirement in India and do not comply with the notes and disclosure requirements and do not include the previous year comparatives as required under the presentation requirements of Schedule III (Division II) to the Companies Act, 2013 and Ind AS 1, presentation of financial statements. These special purpose financial statements have been prepared under the historical cost convention on an accrual and going concern basis except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

The Ultimate Holding Company prepares its financial statements for purpose of consolidation in accordance with recognition and measurement principle laid down in Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Schedule III (Division II) to the Companies Act, 2013, as applicable, and accordingly the previous GAAP for the Company for the purpose of consolidation is Ind AS and accordingly, the transition provisions as enumerated in Ind AS 101, First time adoption are not applicable.

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle of 12 months. The statement of cash flows has been prepared under the indirect method. The functional currency of the Company is sterling pound (GBP). The translation from GBP to ₹ is included solely for the convenience of readers in India and has been performed using rate of GBP 1 = ₹ 93.5436, the exchange rate prevailing as at the last day of the financial year. Such translation should not be construed as representation that the ₹ amounts represent, or have been or could be converted into, GBP at that or any other rate.

### *(b) Use of estimates*

The preparation of special purpose financial statements in conformity with Ind AS requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, costs, expenses and other comprehensive income (OCI) that are reported and disclosed in the special purpose financial statements and accompanying notes. These estimates are based on the management's best knowledge of current events, historical experience, actions that the Company may undertake in the future and on various other assumptions that are believed to be reasonable under the circumstances. Significant estimates and assumptions are used for, but not limited to, income taxes. Changes in estimates are reflected in the special purpose financial statements in the period in which the changes are made. Actual results could differ from those estimates.

### *(c) Foreign currency and translation*

Transactions in foreign currencies are initially recorded by company at reporting currency spot rates at the date the transaction first qualifies for recognition. Foreign-currency denominated monetary assets and liabilities are translated to the reporting currency at exchange rates in effect at the balance sheet date. Exchange differences arising on settlement or translation of monetary items are recognized in the statement of profit and loss.

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of initial transaction.

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the reporting currencies using the exchange rate in effect on the date of the transaction.

The translation of foreign operations from respective functional currency into GBP (the reporting currency) for assets and liabilities is performed using the exchange rates in effect at the balance sheet date, and for revenue, expenses and cash flows is performed using an appropriate daily weighted average exchange rate for the respective years.

*(d)* ***Other income***

Interest attributable to balances in bank account as per banking rules of respective country has been recognized on actual basis as other income.

Dividend income is recognized when the right to receive the same is established.

*(e)* ***Investment***

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.
On initial recognition, all investments are measured at cost. The cost comprises the purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired by the issue of shares or the other securities, the acquisition cost is the fair value of securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried at the lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the long term investments.

The reduction in carrying amount is reversed when there is a rise in the value of the investments or if the reasons for reduction no longer exist.

On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

*(f)* ***Income taxes***

Income tax expense comprises current and deferred income tax.

Income tax expense is recognized in statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity, wherever applicable. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Provision for income tax includes the impact of provisions established for uncertain income tax positions, as well as the related interest and penalties, wherever applicable.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the special purpose financial statements.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

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

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

*(g)* ***Borrowing costs***

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

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

*(h)* ***Provision***

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.

*(i)* ***Financial Instruments***

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

i. **Financial assets**

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

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

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

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

*Derecognition*

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

*Impairment of financial assets*

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

ii. **Financial liabilities - Initial recognition and measurement**

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

The Company's financial liabilities include trade payables & borrowings.

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

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

*Derecognition*

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

***Offsetting of financial instruments***

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

*(j)* ***Earnings per share (EPS)***

Basic EPS amounts are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the year.

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

*(k)* ***Nature and purpose of reserves***

***Security premium***

The share premium reserve includes all proceeds from share issues where proceeds have exceeded par value.

***Capital reserve***

The capital reserve arose in the year ended 30 June 2012, when the company had transferred its 100% holding in Axon Solutions Inc., to HCL America Inc., under a share purchase agreement.

***Other reserves***

Other reserves created pursuant to the share based payment transactions. There are no outstanding shared based options as on date and these reserves has been treated as free reserves and available for distribution as dividend.

**Axon Group Limited**

**Notes to special purpose financial statements for the year ended 31 March 2020**

**(All amount are in thousands except stated otherwise)**

**2.1 Investments**

| | As at | |
|---|---|---|
| | 31 March 2020 | 31 March 2020 |
| | (GBP) | (₹) |
| **Financial Assets** | | |
| **Non Current** | | |
| **Unquoted investment** | | |
| Equity investment in subsidiary companies carried at cost (fully paid up) | | |
| 1,384,540 (31 March 2019 1,384,540) equity shares of USD 1 each in HCL America Inc. | 154,319 | 14,435,524 |
| 100,150 (31 March 2019 100,150) equity shares of GBP .01 each in Axon Solutions Ltd. | 15,676 | 1,466,395 |
| 120 (31 March 2019 120) equity shares of CHF 1000 each in HCL Technologies Solutions GMBH (formerly known as Axon Technologies Solutions GmbH) | 79 | 7,361 |
| 10,000,000 (31 March 2019 10,000,000) equity shares of RM 1 each in HCL Technologies Malaysia Sdn Bhd (Formerly HCL Axon Malaysia Sdn. Bhd. ) | 16,364 | 1,530,737 |
| 26,215,000 (31 March 2019 11,234,999) equity shares of no par value in Anzopan Investments Pty. Ltd | 4,600 | 430,324 |
| 1 (31 March 2019 1) equity share of Bhatt 100 each in HCL Technologies (Thailand) Limited | 0 | 0 |
| | **191,038** | **17,870,341** |

**2.2 Cash and cash equivalents**

| | As at | |
|---|---|---|
| | 31 March 2020 | 31 March 2020 |
| | (GBP) | (₹) |
| Balance with banks | | |
| - in current accounts | 4,322 | 404,323 |
| | **4,322** | **404,323** |

**2.3 Other financial assets**

| | As at | |
|---|---|---|
| | 31 March 2020 | 31 March 2020 |
| | (GBP) | (₹) |
| **Current** | | |
| **Carried at amortized cost** | | |
| Interest receivable- related parties (refer note 2.12) | 23 | 2,139 |
| Other receivable- related parties (refer note 2.12) | 8 | 794 |
| | **31** | **2,933** |

**Axon Group Limited**
**Notes to special purpose financial statements for the year ended 31 March 2020**
**(All amount are in thousands except stated otherwise)**

**2.4 Equity Share capital**

| | As at | |
|---|---|---|
| | 31 March 2020 | 31 March 2020 |
| | (GBP) | (₹) |
| **Authorized**<br>67,820,332 (31 March 2019, 67,820,332) ordinary shares of GBP .01 each | 678 | 63,424 |
| **Issued, subscribed and fully paid up**<br>67,820,332 (31 March 2019, 67,820,332) ordinary shares of GBP .01 each | 678 | 63,424 |

**Terms/ rights attached to equity shares**

The Company has only one class of shares referred to as equity shares having a par value of GBP .01 each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**Reconciliation of the number of shares outstanding at the beginning and at the end of the financial year**

| | As at | | | |
|---|---|---|---|---|
| | 31 March 2020 | | 31 March 2020 | |
| | No. of shares | Amount (GBP) | No. of shares | Amount (₹) |
| Number of shares at the beginning | 67,820,332 | 678 | 67,820,332 | 63,424 |
| Number of shares at the end | 67,820,332 | 678 | 67,820,332 | 63,424 |

| Name of the shareholder | As at | | |
|---|---|---|---|
| | 31 March 2020 | | 31 March 2019 |
| | No. of shares | % holding in the class | % holding in the class |
| **Ordinary shares of GBP .01 each fully paid** | | | |
| HCL EAS Limited, United Kingdom, the holding company | 67,820,332 | 100.00% | 100.00% |

As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

There are no bonus shares issued, no shares issued for consideration other than cash and no shares bought back during five years immediately preceding the reporting date.

**Capital management**

The primary objective of the Company's capital management is to support business continuity and growth of the company while maximizing the shareholder value. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are generally met
through short term borrowings and dividend income from fellow subsidiaries.

**Axon Group Limited**
**Notes to special purpose financial statements for the year ended 31 March 2020**
**(All amount are in thousands except stated otherwise)**

**2.5 Other financial liabilities**

| | As at | |
|---|---|---|
| | 31 March 2020 | 31 March 2020 |
| | (GBP) | (₹) |
| **Current** | | |
| **Carried at amortized cost** | | |
| Liabilities for expenses | 8 | 719 |
| | **8** | **719** |

**2.6 Other current liabilities**

| | As at | |
|---|---|---|
| | 31 March 2020 | 31 March 2020 |
| | (GBP) | (₹) |
| Other payables | 25 | 2,297 |
| Other payables - related parties (refer note 2.12) | 1 | 79 |
| | **26** | **2,376** |

**2.7 Other income**

| | Year ended | |
|---|---|---|
| | 31 March 2020 | 31 March 2020 |
| | (GBP) | (₹) |
| Interest income | | |
| - On bank balances | 103 | 9,679 |
| Income on investments carried at cost | | |
| - Dividend from Investments related parties | 24,524 | 2,294,085 |
| Exchange differences (net) | 65 | 6,054 |
| | **24,692** | **2,309,818** |

**Axon Group Limited**
**Notes to special purpose financial statements for the year ended 31 March 2020**
**(All amount are in thousands except stated otherwise)**

**2.8 Finance costs**

| | Year ended | |
|---|---|---|
| | 31 March 2020 | 31 March 2020 |
| | (GBP) | (₹) |
| Interest | | |
| Others | 24 | 2,248 |
| Bank charges | 2 | 230 |
| | **26** | **2,478** |

**2.9 Other expenses**

| | Year ended | |
|---|---|---|
| | 31 March 2020 | 31 March 2020 |
| | (GBP) | (₹) |
| Legal and professional charges | 8 | 779 |
| Miscellaneous expenses | 9 | 847 |
| | **17** | **1,626** |

**2.10 Tax expense**

| | Year ended | |
|---|---|---|
| | 31 March 2020 | 31 March 2020 |
| | (GBP) | (₹) |
| **Income tax charged to statement of profit and loss** | | |
| Current income tax charge | 650 | 60,803 |
| Current tax liability true up in respect of previous years | (8) | (748) |
| | **642** | **60,055** |

**2.11 Earnings Per Share**

The computation of earnings per share is as follows:

| | Year ended | Year ended |
|---|---|---|
| | 31 March 2020 | 31 March 2020 |
| | (GBP) | (₹) |
| Net profit as per Statement of profit and loss for computation of EPS | 24,007 | 2,245,659 |
| Weighted average number of shares outstanding in calculating of Basic EPS | 67,820,332 | 67,820,332 |
| Weighted average number of shares outstanding in calculating dilutive EPS | 67,820,332 | 67,820,332 |
| Nominal value of shares | 0.01 | 0.94 |
| Earnings per share | | |
| - Basic | 0.35 | 0.03 |
| - Diluted | 0.35 | 0.03 |

**2.12 Related party transactions**

**a) Related parties where control exists**

**Holding company**
HCL EAS Limited

**Ultimate holding company**
HCL Technologies Limited

**b) Related parties with whom transactions have taken place during the year**

**Holding company**
HCL EAS Limited

**Fellow Subsidiaries**
Anzospan Investments Pty Limited
HCL Technologies Malaysia Sdn. Bhd.

**Axon Group Limited**
**Notes to special purpose financial statements for the year ended 31 March 2020**
**(All amount are in thousands except stated otherwise)**

| | Transactions with related parties during the normal course of business | | | | |
|---|---|---|---|---|---|
| | Interest expenses | Payment against borrowings | Proceeds from borrowings | Dividend income | Dividend paid |
| **31 March 2020 (GBP)** | | | | | |
| Fellow subsidiaries | 24 | 1,250 | 500 | 24,524 | 21,160 |
| | **24** | **1,250** | **500** | **24,524** | **21,160** |
| **31 March 2020 (₹)** | | | | | |
| Fellow subsidiaries | 2,248 | 116,930 | 46,772 | 2,294,085 | 1,979,377 |
| | **2,248** | **116,930** | **46,772** | **2,294,085** | **1,979,377** |

| | Outstanding balances | | | |
|---|---|---|---|---|
| | Investment in group companies | Interest receivable | Other payables | Other Receivables |
| **31 March 2020 (GBP)** | | | | |
| Fellow subsidiaries | 191,038 | 23 | 1 | 8 |
| | **191,038** | **23** | **1** | **8** |
| **31 March 2020 (₹)** | | | | |
| Fellow subsidiaries | 17,870,341 | 2,139 | 79 | 794 |
| | **17,870,341** | **2,139** | **79** | **794** |

As per our report of even date

**FOR B S R & Co. LLP**
**Chartered Accountants**
**ICAI Firm Registration Number : 101248W/W-100022**

ANURAG KUMAR MAHESHWARY Digitally signed by ANURAG KUMAR MAHESHWARY Date: 2020.09.15 19:13:00 +05'30'

**Anurag Maheshwary**
Partner
Membership Number: 506533

Gurugram, India
Date: 15 Sept 2020

SHIV KUMAR WALIA Digitally signed by SHIV KUMAR WALIA Date: 2020.09.15 17:10:21 +05'30'

**Shiv Kumar Walia**
Director

Berkshire, UK
Date : 15 Sept 2020

RAHUL SINGH Digitally signed by RAHUL SINGH Date: 2020.09.15 17:10:35 +05'30'

**Rahul Singh**
Director

Gurugram, India