Financial Statements

HCL (Ireland) Information Systems Limited

For the year ended 31 March 2024

Registered number : 534637

Company Information

Directors	Mr. Shiv Kumar Walia Mr. Bejoy Joseph George Mr. Goutam Rungta
Company secretary	TMF Administration Services Limited
Registered number	534637
Registered office	C/o TMF Group Ground Floor, Two Dockland Central Guild Street, North Dock, Dublin 1 Ireland
Independent auditors	KPMG 1 Stokes Place St. Stephen's Green Dublin 2 Ireland
Bankers	Citi Bank Europe Plc 1 North Wall Quay Dublin 1 Ireland

HCL (Ireland) Information Systems Limited

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Directors' Report

For the year ended 31 March 2024

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

Principal activities

The principal activity of the company is to provide services associated with IT and business services, digital engineering and R & D services and services related to HCL Software.

Business review

As part of the review of the business, the directors have used key performance indicators to analyse the results for the year.

	31 March 2024	**31 March 2023**
	€000	€000
Turnover	**116,807**	114,659
Gross profit	**13,347**	15,135
Operating profit	**11,355**	12,032

The directors are satisfied with the performance of the company. The company is well poised for future growth and plans to expand its operations in the coming years.

Results and dividend

The profit for the financial year, after taxation, amounted to € 9,967k (2023: € 10,472k).

Dividend paid during the year amounted to Nil (2023: € 5,600k)

Director's and Company Secretary's interests

The directors & company secretary who served during the year and to the date of approving the financial statements were:

Directors
Mr. Shiv Kumar Walia
Mr. Bejoy Joseph George
Mr. Goutam Rungta

Company Secretary
TMF Administration Services Limited

In accordance with Section 329 of the Companies Act 2014, the Directors who hold office at 31 March 2024, had no beneficial interest in the shares of the company or any group companies at the beginning or end of the year.

The Company secretary, TMF Administration Services Limited, did not hold any shares in the company or any group companies at the beginning or end of the year.

Principal risks and uncertainties

The directors consider that the principal risks and uncertainties faced by the company are in the following categories:

Economic risk

The risk of increased interest rates and/or inflation having an adverse impact on served markets.

Financial risk

The company has budgetary and financial reporting procedures, supported by appropriate key performance indicators, to manage costs, debt collections and other financial risk.

Directors' Report (continued)

For the year ended 31 March 2024

Accounting records

The measures taken by the directors to ensure compliance with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The company's accounting records are maintained at the ultimate holding company's registered office at 806, Sidharth,96, Nehru Place, New Delhi-110019, India and are made available to c/o TMF Group, Ground Floor, Two Dockland Central, Guild Street, North Dock, Dublin 1, Ireland.

Future development

The company plans to continue its present activities.

Research and development activities

The company did not engage in any research or development during the year ended 31 March 2024.

Directors' compliance policy statement

The Directors acknowledge that they are responsible for securing the Company's compliance with its relevant obligations as defined in section 225 of the Companies Act 2014 and hereby confirm that they have completed the following:

- Ensured compliance with appropriate group policies relevant to the company. A company compliance statement has not been developed as the company follows group policies appropriate to the company.
- Put in place appropriate arrangements and structures that are, in the directors' opinion, designed to secure material compliance with the Companies' relevant obligations; and
- Have conducted a review of the aforementioned arrangements and structures.

Audit committee statement

The directors of the Company have decided not to establish an Audit Committee pursuant to section 167 of the Companies Act 2014 as the Company is a subsidiary company and its ultimate parent undertaking has established such a committee that in all material respects ensures compliance by the Company of obligations under that section. Further, board believed that they have policies and procedures in place to ensure the Board complies with its responsibilities relating to financial reporting, risk assessment and internal control.

Disclosure of information to auditors

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the 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 auditors are aware of that information.

Directors' Report (continued)
For the year ended 31 March 2024

Political contributions

No political contributions that requires disclosure under section 26(1) of the Electoral Act 1997 (as amended) were made during the financial year ended 31 March 2024.

Post balance sheet events

The Company has paid dividend of € 10,000k on the ordinary shares of the company.

Auditors

KPMG is proposed to be reappointed as auditor in accordance with section 383(2) of the Companies Act 2014 for the next financial year.

This report was approved by the board and signed on its behalf by

Shiv Kumar Walia	**Goutam Rungta**
Director	Director
Date : 05 June 2024	

Statement of Directors’ Responsibilities in respect of the Directors’ Report and the Financial Statements

For the year ended 31 March 2024

The directors are responsible for preparing 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 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 assets, liabilities and financial position of the Company and of its profit or loss for that year.

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 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 which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and enable them to ensure that the financial statements comply with the Companies Act 2014. They are responsible for such internal controls 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. The directors are also responsible for preparing a directors’ report that complies with the requirements of the Companies Act 2014.

On behalf of the board

Shiv Kumar Walia	**Goutam Rungta**
Director	Director
Date : 05 June 2024	

KPMG

Audit
1 Stokes Place
St. Stephen's Green
Dublin 2
D02 DE03
Ireland

Independent Auditor's Report to the Members of HCL (IRELAND) INFORMATION SYSTEMS LIMITED

Report on the audit of the financial statements

Opinion

We have audited the financial statements of HCL (IRELAND) INFORMATION SYSTEMS LIMITED ('the Company') for the year ended 31 March 2024 set out on pages 8 to 23, which comprise the statement of profit and loss and other comprehensive income, the balance sheet, the statement of changes in equity and related notes, including the summary of significant accounting policies set out in note 1.

The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland issued in the United Kingdom by the Financial Reporting Council.

In our opinion:

- the financial statements give a true and fair view of the assets, liabilities and financial position of the Company as at 31 March 2024 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- the financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) 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 ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the directors' report. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information undertaken during the course of the audit, we report that:

- we have not identified material misstatements in the directors' report;
- in our opinion, the information given in the directors' report is consistent with the financial statements; and
- in our opinion, the directors' report has been prepared in accordance with the Companies Act 2014.

Our opinions on other matters prescribed by the Companies Act 2014 are unmodified

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by Sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; 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; 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 they 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 (Ireland) 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.

A fuller description of our responsibilities is provided on IAASA's website at https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements/.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. 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.

05 June 2024

Maurice McCann

for and on behalf of
KPMG
Chartered Accountants, Statutory Audit Firm
1 Stokes Place
St. Stephen's Green
Dublin 2
D02 DE03

Statement of Comprehensive Income

For the year ended 31 March 2024

	Notes	Year ended 31 March 2024 €000	Year ended 31 March 2023 €000
Turnover	3	**116,807**	114,659
Cost of sales		**(103,460)**	(99,524)
Gross profit		**13,347**	15,135
Distribution costs		**(1,050)**	(764)
Administrative expense		**(776)**	(1,862)
Other operating expense		**(166)**	(477)
Operating profit	4	**11,355**	12,032
Interest receivable and similar income	6	**199**	55
Interest payable and similar charges	7	**(59)**	(64)
Profit before tax		**11,495**	12,023
Tax on profit	8	**(1,528)**	(1,551)
Profit for the financial year		**9,967**	10,472
Other comprehensive income for the financial year			
Other comprehensive income		-	-
Total comprehensive income for the financial year		**9,967**	10,472

All amounts relate to continuing operations

The notes on pages 11 to 23 form part of these financial statements

Statement of Financial Position

As at 31 March 2024	**Notes**		**As at 31 March 2024 €000**		**As at 31 March 2023 €000**
Fixed assets					
Tangible fixed assets	9		**13**		24
Current assets					
Stocks	10	**212**		655	
Debtors: amounts falling due after more than one year	11	**2,515**		3,405	
Debtors: amounts falling due within one year	11	**37,797**		30,227	
Cash at bank and in hand	12	**7,748**		5,407	
		48,272		39,694	
Creditors: amounts falling due within one year	13	**(28,727)**		(30,315)	
Net current assets			**19,545**		9,379
Total assets less current liabilities			**19,558**		9,403
Creditors: amounts falling due after one year	13		**(3,250)**		(3,062)
Net assets			**16,308**		**6,341**
Capital and reserves					
Called up share capital	14		**100**		100
Retained Earnings			**16,208**		6,241
Shareholders' funds			**16,308**		**6,341**

The financial statements were approved and authorised on behalf of the board:

Shiv Kumar Walia
Director

Goutam Rungta
Director

Date : 05 June 2024

The notes on pages 11 to 23 form part of these financial statements

Statement of Changes in Equity

As at 31 March 2024

	Called up share capital	Retained earnings	Shareholder's Fund
	€000	€000	€000
At 1 April 2023	100	6,241	6,341
Total comprehensive income for the year	-	9,967	9,967
Contribution by and distribution to owners	100	16,208	16,308
Dividend: Ordinary shares	-	-	-
At 31 March 2024	**100**	**16,208**	**16,308**

	Called up share capital	Retained earnings	Shareholder's Fund
	€000	€000	€000
At 1 April 2022	100	1,369	1,469
Total comprehensive income for the year	-	10,472	10,472
Contribution by and distribution to owners	100	11,841	11,941
Dividend: Ordinary shares	-	(5,600)	(5,600)
At 31 March 2023	100	6,241	6,341

The notes on pages 11 to 23 from part of these financial statements

Notes to the Financial Statements
For the year ended 31 March 2024

1. Accounting policies

1.1 Company information

HCL (Ireland) Information Systems Limited is a limited liability company, which is registered and incorporated in the Republic of Ireland. The company's registered office is at C/o TMF Group, Ground Floor, Two Dockland Central, Guild Street, North Dock, Dublin 1, Ireland, registered number-534637.

1.2 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 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Basic Financial Instruments;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of HCL Technologies Limited as at 31 March 2024 and these financial statements may be obtained from the Companies Registry in India, and the consolidated financial statements are available at www.hcltech.com.

1.3 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and Irish statute comprising of the Companies Act 2014. There have been no material departures from the standards.

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 2).

The financial statements are prepared in Euro which is the reporting currency of the company and rounded to the nearest € thousands.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.4 Revenue

Revenue for consultancy services charged on a time and materials basis is recognised when the services are performed. Revenue for sale of licence is recognized upon the transfer of risks and rewards.

Revenue from fixed price contracts is recognised in accordance with the percentage completion method under which the revenue is recognised on the basis of cost incurred in respect of each contract as a proportion of total cost expected to be incurred. The cumulative impact of any revision in estimates of the percentage of work completed is reflected in the year in which the change becomes known. Provision for estimated losses is made during the year in which a loss becomes probable based on current cost estimates.

1. Accounting policies (continued)

1.4 Revenue (continued)

The amount of profit attributable to the stage of completion of a long term contract is recognised when the outcome of the contract can be foreseen with reasonable certainty. Turnover for such contracts is stated at the cost appropriate to the stage of completion plus attributable profits, less amounts recognised in previous years. Provision is made for losses as soon as they are foreseen.

Trade discounts are provided to customers in accordance with the agreed terms and conditions outlined in the customer contract and are discounted for as reduction in revenue.

1.5 Tangible fixed assets

Tangible fixed assets under the cost model 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.

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

The estimated useful lives range as follows:

Plant and machinery	-	10 years
Fixtures and fittings	-	7 years
Computer equipment	-	4-5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

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.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

1.6 Operating leases: the Company as lessee

Leases in which substantially all the risk and rewards of ownership are retained by the lessor are classified as operating leases. Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

1. Accounting policies (continued)

1.7 Finance leases: company as a lessor

Where assets leased to a third party give rights approximating to ownership (finance leases), 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 comprehensive income.

Lease payments are analysed between capital and interest components so that the interest element of the payment is credited to statement of 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.

1.8 Stocks

Stocks comprises finished goods 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.

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 comprehensive income.

1.9 Foreign currency transactions

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated to the relevant functional currency at exchange rates in effect at the balance sheet date. Exchange differences arising on settlement or translation of monetary items are recognized in the statement of statement of 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 the 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.

1.10 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable.

1. Accounting policies (continued)

1.10 Financial instruments (continued)

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, 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 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 of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

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

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 and cash equivalents in balance sheet comprise of 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 changes in value.

Creditors are classified as current liabilities if payment is due within one year or less, if they are not then they are presented as non current liabilities.

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.

1.11 Finance costs

Finance costs are charged to the Statement of Comprehensive Income as and when incurred.

Notes to the Financial Statements

For the year ended 31 March 2024

1. Accounting policies (continued)

1.12 Retirement benefit

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 payment obligations.

The contributions are recognised as an expense in the Statement of 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.

1.13 Current and deferred taxation

The tax expense for the financial year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

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

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

1.14 Share based payment

Share-based compensation represents the cost related to share-based awards granted to employees. The Company measures share-based compensation cost at grant date, based on the estimated fair value of the award and recognizes the cost on a straight line basis (net of estimated forfeitures) over the employee's requisite service period for an award with service condition. The Company estimates the fair value of stock options using option pricing model. The cost is recorded in the statement of profit or loss with corresponding increase in “Amount owed to group undertakings".

2. Judgments in applying accounting policies and key sources of estimation uncertainty

When preparing financial statements, management undertakes a number of judgments, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses. These are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant management judgement

The following are significant management judgments in applying the accounting policies of the company that have the most significant effect on the financial statements.

Allowances for impairment of debtors

The company estimates the allowance for doubtful trade debtors based on assessment of specific accounts where the Company has objective evidence comprising default in payment terms or significant financial difficulty that certain customers are unable to meet their financial obligations. In these cases, judgment used was based on the best available facts and circumstances including but not limited to, the length of relationship.

Percentage of completion in fixed price project

The company estimates the total cost of project based on which percentage of completion is calculated for Fixed price projects. Revenue is recognized based on the costs incurred to date as a percentage of total estimated cost 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 year in which they are identified.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of such assets. Uncertainties in these estimates relate to technical and physical obsolescence that may change the utility of certain assets.

Notes to the Financial Statements

For the year ended 31 March 2024

3. Turnover

An analysis of turnover by class of business is as follows :

	Year ended 31 March 2024	Year ended 31 March 2023
	€000	€000
Software income	**113,592**	109,043
Product sales	**3,215**	5,616
	116,807	114,659

Analysis of turnover by country of destination :

	Year ended 31 March 2024	Year ended 31 March 2023
	€000	€000
Republic of Ireland	**96,885**	102,593
Rest of the world	**19,922**	12,066
	116,807	114,659

4. Profit on ordinary activities before taxation

The operating profit is stated after charging :

	Year ended 31 March 2024	Year ended 31 March 2023
	€000	€000
Depreciation of tangible fixed assets	**13**	14
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	**30**	28
Foreign exchange loss	**167**	477
Defined contribution pension cost	**132**	122

Notes to the Financial Statements

For the year ended 31 March 2024

5. Employees

Staff costs were as follows :

	Year ended 31 March 2024 €000	Year ended 31 March 2023 €000
Wages and salaries	14,826	13,561
Social insurance costs	1,637	1,356
Cost of defined contribution scheme	132	122
	16,595	15,039

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

	Year ended 31 March 2024 No.	Year ended 31 March 2023 No.
Employees	325	207

The directors have not received any remuneration for the year ended 31 March 2024 and 31 March 2023.

6. Interest receivable and other income

	Year ended 31 March 2024 €000	Year ended 31 March 2023 €000
Other interest receivable	199	55
	199	55

7. Interest payable and similar charges

	Year ended 31 March 2024 €000	Year ended 31 March 2023 €000
Bank interest payable	4	5
Bank charge	10	11
Finance cost and other loan interest payable	45	48
	59	64

8. Taxation

	Year ended 31 March 2024 €000	Year ended 31 March 2023 €000
Corporation tax		
Tax on profits for current year	**1,511**	1,539
Adjustments in respect of previous periods	**(5)**	7
Additional provision	**18**	11
	1,524	1,557
Total current tax	**1,524**	1,557
Deferred tax		
Origination and reversal of timing difference	**(1)**	3
Adjustment in respect of previous periods	**5**	(9)
Total deferred tax	**4**	(6)
Taxation on profit on ordinary activities	**1,528**	1,551

Factors affecting tax change for the financial year

The tax assessed for the year is higher than (2023- higher than) the standard rate of corporation tax in Ireland of 12.5 % (2023 - 12.5%). The differences are explained below:

	Year ended 31 March 2024 €000	Year ended 31 March 2023 €000
Profit on ordinary activities before tax	**11,495**	12,023
Profit on ordinary activities multiplied by standard rate of corporation tax in Ireland of 12.5% (2023 - 12.5%)	**1,437**	1,503
Effects of :		
Permanent differences	**19**	(1)
Tax on employee medical insurance	**54**	41
Others		(1)
Adjustments to tax charge in respect of previous periods	**-**	(2)
Additional provision	**18**	11
Total tax charge for the financial year	**1,528**	1,551

9. Tangible fixed assets

	Plant and machinery €000	Furniture and fittings €000	Computer equipment €000	Capital work in progress €000	Total €000
Cost or valuation					
At 1 April 2023	100	8	123	2	233
Additions	-	-	4	-	4
Disposals	(100)	(8)	-	(2)	(110)
At 31 March 2024	-	-	127	-	127
Depreciation					
At 1 April 2023	98	6	105	-	209
Charge for the year	2	2	9	-	13
Disposals	(100)	(8)	-	-	(108)
At 31 March 2024	-	-	114	-	114
Net book value					
At 31 March 2024	**-**	**-**	**13**	**-**	**13**
At 31 March 2023	2	2	18	2	24

10. Stocks

	As at 31 March 2024 €000	As at 31 March 2023 €000
Finished goods	**212**	655
	212	655

11. Debtors

	As at 31 March 2024 €000	As at 31 March 2023 €000
Due after more than one year		
Deferred tax asset	**11**	15
Contract assets	**1,773**	2,437
Finance lease receivables	**599**	668
Prepayments	**132**	285
	2,515	3,405
Due within one year		
Trade debtors	**23,521**	18,472
Amounts owed by group undertakings	**7,241**	3,872
Finance lease receivables	**203**	583
Corporation tax	**-**	161
Other debtors	**1,625**	2,796
Prepayments	**1,628**	359
Accrued income	**3,579**	3,984
	37,797	30,227

Amounts owed by group undertakings are unsecured, receivable on demand and non-interest bearing.

Notes to the Financial Statements

For the year ended 31 March 2024

12. Cash and cash equivalents

	As at 31 March 2024 €000	As at 31 March 2023 €000
Cash at bank and in hand	**7,748**	5,407
	7,748	5,407

13. Creditors

	As at 31 March 2024	As at 31 March 2023
Due after more than one year	**€000**	€000
Deferred income	**2,859**	2,722
Amounts owed to group undertakings	**-**	44
Other creditors	**391**	296
	3,250	3,062
Due within one year		
Trade creditors	**1,524**	2,211
Amounts owed to group undertakings	**15,154**	18,582
Corporation tax	**183**	-
Other taxation and social insurance	**4,274**	2,259
Other creditors	**441**	261
Advance from customer	**337**	427
Accruals	**2,607**	3,414
Deferred income	**4,207**	3,161
	28,727	30,315

Trade and other creditors are payable at various dates in accordance with the supplier's usual and customary credit terms.

Amounts due to group undertakings are unsecured and repayable on demand.

All taxes including social insurance are repayable at various dates over the coming months in accordance with the applicable statutory provisions.

	As at 31 March 2024 €000	As at 31 March 2023 €000
Other taxation and social insurance		
PAYE/PRSI control	**612**	498
Value added tax	**3,662**	1,761
	4,274	2,259

14. Share capital

	As at 31 March 2024 €000	As at 31 March 2023 €000
Shares presented as equity		
Authorised		
500,000 Ordinary shares of €10 each	**5,000**	5,000
Allotted, called up and fully paid		
10,000 Ordinary shares of €10 each	**100**	100

The company has issued 10,000 ordinary shares of €10 each at par value.

15. Share based payment

In November 2022, the ultimate holding company, HCL Technologies Limited (HCLT) instituted the Restricted Stock Unit Plan 2022 to provide equity-based incentives to all eligible employees of the HCLT and its subsidiaries. The Plan is administered by the Nomination and Remuneration Committee (NRC) of HCLT through a controlled Trust. A maximum of 11,100,000 Restricted stock units (RSU) may be granted under the Plan. Each RSU granted under the plan entitles the holder to one equity share of HCLT at an exercise price, which is approved by the Nomination and Remuneration Committee.

On 20 December 2022, NRC has granted RSUs to the eligible employees of HCLT and its subsidiaries under the Plan. Subsequent to this grant, the Trust acquired 6,320,000 shares from secondary market for the purpose of implementation of the Plan. Each RSU granted under the above plan entitles the holder to one equity share of the Company at an exercise price of € 0.02.

All RSUs will vest if the employee continues to be in service on the roles of the Company or its subsidiaries on the vesting date.

The total cost for the year relating to employee share based payment plans was €38k (2023: €35k).

16. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contribution payable by the Company to the fund and amounted to €132k (2023: €122k).

Notes to the Financial Statements

For the year ended 31 March 2024

17. Related party transactions

The company has taken advantage of the exemption available in section 33 of FRS 102 from disclosing transactions with related parties that are wholly owned by HCL Technologies Limited group, on the basis that 100% of the Company's voting rights are controlled within the group and consolidated financial statements in which the Company is included are publicly available.

18. Controlling party

The parent company is HCL Technologies UK Limited, a company registered in the United Kingdom. The ultimate parent company is HCL Technologies Limited, a company registered in India. The results for the year are consolidated within HCL Technologies Limited, the consolidated financial statements are available at www.hcltech.com.

19. Post balance sheet events

The Company has paid dividend of € 10,000k on the ordinary shares of the company.

20. Approval of financial statements

The board of directors approved these financial statements for issue on 05 June 2024.