

B S R & Co. LLP

Chartered Accountants

Building No. 10, 12th Floor, Tower-C,
DLF Cyber City, Phase-II,
Gurugram – 122 002, India

Telephone: +91 124 719 1000
Fax: +91 124 235 8613

Independent Auditor's Report

To the Board of Directors of HCL Technologies Luxembourg S.a.r.l

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of HCL Technologies Luxembourg S.a.r.l (the “Company”), which comprise the Balance Sheet as at 31 December 2024, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information (collectively referred to as “the financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 December 2024, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (“SAs”) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those SAs 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 Code of Ethics issued by ICAI together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

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

The Company's Management and Board of Directors are responsible for the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 (“the Act”). This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing opinion on whether the company has in place adequate internal financial controls with reference to financial statements and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter-Restriction on Use


As explained in note 1(a), these financial statements are prepared for the use by the Company and the Ultimate Holding Company, HCL Technologies Limited, to comply with the requirements of the Act. These financial statements are not the statutory financial statements of the Company. As a result, these financial statements may not be suitable for another purpose. Our report must not be copied, disclosed, quoted, or referred to, in correspondence or discussion, in whole or in part to anyone other than the purpose for which it has been issued without our prior written consent.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No. 101248W/W-100022

**RAKESH
DEWAN**

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Rakesh Dewan

Partner

Membership No. 092212

ICAI UDIN: 25092212BMMJFQ9361

Place: Gurugram, India

Date: 15th May 2025

HCL Technologies Luxembourg S.a.r.l

FINANCIAL STATEMENTS

For the year ended 31 December 2024 and 31 December 2023

HCL Technologies Luxembourg S.a.r.l

Balance Sheet as at 31 December 2024

(All amounts in thousands of EUR, except share data and as stated otherwise)

	Note No.	As at	
		31 December 2024	31 December 2023
I. ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	2.1	5	8
(b) Financial Assets			
(i) Trade receivables - unbilled	2.3	18	-
(ii) Others	2.2	5	16
Total non-current assets		28	24
(2) Current assets			
(a) Inventories		0	0
(b) Financial assets			
(i) Trade receivables			
Billed	2.3	765	1,087
Unbilled	2.3	200	58
(ii) Cash and cash equivalents	2.4	700	1,135
(iii) Others	2.2	11	10
(c) Current tax assets(net)		41	-
(d) Other current assets	2.5	273	207
Total current assets		1,990	2,497
TOTAL ASSETS		2,018	2,521
II. EQUITY			
(a) Equity share capital	2.6	50	50
(b) Other equity		743	648
TOTAL EQUITY		793	698
III. LIABILITIES			
(1) Non - current liabilities			
(a) Financial Liabilities			
(i) Others	2.7	8	-
(b) Contract liabilities	2.8	20	4
Total non-current liabilities		28	4
(2) Current liabilities			
(a) Financial liabilities			
(i) Trade payables			
Billed	2.9	133	298
Unbilled and accruals	2.9	593	1,064
(ii) Others	2.7	138	98
(b) Contract liabilities	2.8	242	260
(c) Other current liabilities	2.10	66	71
(d) Provisions	2.11	25	14
(e) Current tax liabilities (net)		-	14
Total current liabilities		1,197	1,819
TOTAL LIABILITIES		1,225	1,823
TOTAL EQUITY AND LIABILITIES		2,018	2,521
Material accounting policies	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For B S R & Co. LLP

ICAI Firm Registration Number : 101248W/ W-100022

Chartered Accountants

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Rakesh Dewan

Partner

Membership Number: 092212

Gurugram, India

Date : 15 May, 2025

For and on behalf of the Board of Directors of
HCL Technologies Luxembourg S.a.r.l

Signed by:

Srin Kumar Walia

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Director

Noida, India

Date : 15 May, 2025

Signed by:

Goutam Rungta

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Director

Noida, India

Date : 15 May, 2025

HCL Technologies Luxembourg S.a.r.l**Statement of Profit and Loss for the year ended 31 December 2024**

(All amounts in thousands of EUR, except share data and as stated otherwise)

	Note No.	Year ended	
		31 December 2024	31 December 2023
I Revenue			
Revenue from operations	2.12	2,356	2,030
Other income	2.13	36	25
Total income		2,392	2,055
II Expenses			
Purchase of stock in trade		(0)	29
Changes in inventories of stock-in-trade	2.14	0	13
Employee benefits expense	2.15	860	787
Finance costs	2.16	3	3
Outsourcing costs		1,312	972
Depreciation and amortization expense	2.1	3	3
Other expenses	2.17	97	84
Total expenses		2,275	1,891
III Profit before tax		117	164
IV Tax expense			
Current tax	2.18	22	49
Total tax expense		22	49
V Profit for the year		95	115
VI Other comprehensive income		-	-
VII Total comprehensive income for the year		95	115
Earnings per equity share of EUR 100 each			
Basic and Diluted	2.19	27.05	32.74
Material accounting policies	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

Chartered Accountants

RAKESH DEWAN

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RAKESH DEWAN
Date: 2025.05.15
22:55:05 +05'30'**Rakesh Dewan**

Partner

Membership Number: 092212

Gurugram, India

Date : 15 May, 2025

For and on behalf of the Board of Directors of**HCL Technologies Luxembourg S.a.r.l**

Signed by:

Shiv Kumar Walia

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Director

Signed by:

Goutam Rungta

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Goutam Rungta

Director

Noida, India

Date : 15 May, 2025

Noida, India

Date : 15 May, 2025

HCL Technologies Luxembourg S.a.r.l.**Statement of Changes in Equity for the year ended 31 December 2024**

(All amounts in thousands of EUR, except share data and as stated otherwise)

	Equity share capital		Other equity			Total Other equity
	No. of shares	Share capital	Capital contribution account	Net worth tax reserve	Retained earnings	
Balance as of 1 January 2023	500	50	300	72	161	533
Profit for the year	-	-	-	-	115	115
Allocation of previous year's profit or loss	-	-	-	15	(15)	-
Total comprehensive income for the year	-	-	-	-	115	115
Balance as of 31 December 2023	500	50	300	87	261	648
Balance as of 1 January 2024	500	50	300	87	261	648
Profit for the year	-	-	-	-	95	95
Allocation of previous year's profit or loss	-	-	-	18	(18)	-
Total comprehensive income for the year	-	-	-	-	95	95
Balance as of 31 December 2024	500	50	300	105	338	743

Note: Capital contribution account EUR 300 (P.Y EUR 300) carry the same pari passu rights w.r.t equity shareholders along with the eligibility for dividend rights without corresponding issuance of equity shares in accordance with Account 115 of the local company law of the country.

The Company allocates under non-distributable reserves an amount corresponding to five times the amount of reduction of the Net Wealth Tax to reduce its Net Wealth Tax liability in accordance with paragraph 8a of the Luxembourg Net Wealth Tax law. The reserve is non-distributable for a period of five years from the year following that during which the Net Wealth Tax was reduced.

Material accounting policies**1**

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

Chartered Accountants

**RAKESH
DEWAN**Digitally signed by
RAKESH DEWAN
Date: 2025.05.15
22:55:24 +05'30'**Rakesh Dewan**

Partner

Membership Number: 092212

Gurugram, India

Date : 15 May, 2025

**For and on behalf of the Board of Directors of
HCL Technologies Luxembourg S.a.r.l**

Signed by:

Shiv Kumar Walia

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Shiv Kumar Walia

Director

Signed by:

Goutam Kungta

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Goutam Kungta

Director

Noida, India

Date : 15 May, 2025

Noida, India

Date : 15 May, 2025

HCL Technologies Luxembourg S.a.r.l.

Cash flow statement for the year ended 31 December 2024

(All amounts in thousands of EUR, except share data and as stated otherwise)

	Year ended	
	31 December 2024	31 December 2023
A. Cash flows from operating activities		
Profit before tax	117	164
Adjustment for:		
Depreciation and amortization	3	3
Interest income	(35)	(25)
Bad debts written back	(1)	
Provision for doubtful debts	(1)	(1)
	83	141
Net Change in		
Trade receivables	164	(445)
Other financial assets and other assets	(56)	(43)
Trade payables	(636)	687
Provisions, other financial liabilities and other liabilities	52	39
Cash generated from operations	(393)	379
Direct taxes paid	(77)	(67)
Net cash flow from operating activities (A)	(470)	312
B. Cash flows from investing activities		
Interest received	35	25
Net cash flow from investing activities (B)	35	25
Net increase/(decrease) in cash and cash equivalents (A+B)	(435)	337
Cash and cash equivalents at the beginning of the year	1,135	798
Cash and cash equivalents at the end of the year as per note 2.5	700	1,135

Material accounting policies**1**

The accompanying notes are an integral part of the financial statements

As per our report of even date.

For B S R & Co. LLP

ICAI Firm Registration Number : 101248W/ W-100022

Chartered Accountants

RAKESH
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Rakesh Dewan

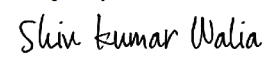

Partner

Membership Number: 092212

Gurugram, India

Date : 15 May, 2025

For and on behalf of the Board of Directors of
HCL Technologies Luxembourg S.a.r.l

Signed by:	Signed by:
	
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Director	Director

Noida, India

Date : 15 May, 2025

Noida, India

Date : 15 May, 2025

HCL Technologies Luxembourg S.a.r.l
Notes to financial statements for the year ended 31 December 2024

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

Company Overview

HCL Technologies Luxembourg S.a.r.l (hereinafter referred to as 'Company') is a Business Transformation consultancy company aiming to provide medium and large size organizations with Business Transformation solutions that encompass all elements of Business Consulting, Solution Implementation and ongoing Application Management. The Company was incorporated on 12 February 2015 in Luxembourg.

The financial statements for the year ended 31 December 2024 were approved and authorized for issue by the Board of Directors on 15th May, 2025.

1. MATERIAL ACCOUNTING POLICIES

a) Basis of preparation

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act, 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, to the financial statements. The company is not domiciled in India and hence not registered under Companies Act 2013 or under any previous company law in India. These financial statements have been prepared on the request of the Ultimate Holding Company to comply with the financial reporting requirement in India.

These 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 accounting policies adopted in the preparation of these financial statements are consistent with those of the previous year.

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle of 12 months. The statement of cash flows has been prepared under indirect method.

The Company uses EURO as its reporting currency.

b) Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, costs, expenses and other comprehensive income (OCI) that are reported and disclosed in the financial statements and accompanying notes. These estimates are based upon management's best knowledge of current events, historical experience, actions that the company may undertake in the future and on various other assumptions that are believed to be reasonable under the circumstances.

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

Significant estimates and assumptions are used for, but not limited to,

- i. Accounting for costs expected to be incurred to complete performance under fixed price projects and determination of stand-alone selling prices for each distinct performance obligation in respect of proprietary software products, refer note 1(e)
- ii. Recognition of income and deferred taxes, refer note 1(f) and note 2.19
- iii. Provisions and contingent liabilities, refer note 1(i) and note 2.12
- iv. Allowance for uncollectible trade receivables, refer note 1(j)(i).
- v. Useful lives of property, plant and equipment, refer note 1(l)

HCL Technologies Luxembourg S.a.r.l
Notes to financial statements for the year ended 31 December 2024

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

c) 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 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 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.

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. Revenue, expenses and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

d) Fair value measurement

The company records certain financial assets and liabilities at fair value on a recurring basis. The company determines fair values based on the price it would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability.

The guidance of fair value specifies a hierarchy of valuation techniques based on whether the inputs to each measurement are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's assumptions about current market conditions. The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The prescribed fair value hierarchy and related valuation methodologies are as follows:

Level 1 - Quoted inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 - Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-derived valuations, in which all significant inputs are directly or indirectly observable in active markets.

Level 3 - Valuations derived from valuation techniques, in which one or more significant inputs are unobservable inputs which are supported by little or no market activity.

In accordance with Ind AS 113, assets and liabilities are to be measured based on the following valuation techniques:

- i. Market approach – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.
- ii. Income approach – Converting the future amounts based on market expectations to its present value using the discounting methodology.
- iii. Cost approach – Replacement cost method.

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

HCL Technologies Luxembourg S.a.r.l
Notes to financial statements for the year ended 31 December 2024
(All amounts in thousands except share data and as stated otherwise)

e) Revenue Recognition

Revenue is recognized when, or as, control of a promised service or good transfers to a customer, in an amount that reflects the consideration (Transaction price) to which the Company expects to be entitled in exchange for transferring those products or services (Performance obligation). Revenue is recognized for any contract, once it is approved in writing, is legally enforceable, the rights of the parties are identified, payment terms are defined, the contract has commercial substance and collectability of consideration is probable. Revenue is measured based on the Transaction price which is the consideration of the contract and is shown net of applicable taxes and adjusted for any variable consideration like volume discounts, service level allowances, incentive or any other discount. Transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component.

Revenue from time-and-material, volume based, and transaction-based contracts is recognized as the related services are performed through efforts expended, units serviced, number of transactions processed, etc. that correspond with value transferred to customer.

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

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

Revenue related to other fixed price contracts providing maintenance and support services, are recognized based on the right to invoice for services performed for contracts in which the invoicing is representative of the value being delivered. If invoicing is not consistent with value delivered, revenues are recognized basis stand-alone selling price for the service performed. The Company uses cost plus expected margin to determine stand-alone selling price.

Revenue from distinct proprietary software is recognized at a point in time at the inception of the arrangement when right to use is granted to the customer. In the case of renewals of term licenses with existing customers, revenue from term license is recognized at a point in time when the renewal is agreed on signing of contracts. Revenue from support and subscription (S&S) is recognized over the contract term on a straight-line basis as the Company is providing a service of standing ready to provide support, when-and-if needed, and is providing unspecified software upgrades on a when-and-if available basis over the contract term. In case software are bundled with support and subscription either for perpetual or term based license, such support and subscription contracts are generally priced as a percentage of the net fees paid by the customer to purchase the license and are generally recognized as revenues ratably over the contractual period that the support services are provided.

When a sales arrangement contains provision of multiple products, services and software licenses, company identifies the distinct performance obligation including lease obligation and allocates total consideration to each performance obligation on a relative standalone selling price. Company uses cost plus expected margin to determine standalone selling price. Revenue from finance leases is recognized when all risks and ownership are transferred to the customer, with no remaining obligations that affect acceptance. Revenue is recognized at the fair value of the asset or, if lower, the present value of lease payments, discounted at a market interest rate. Interest from finance leases is recognized as other income on an accrual basis using the effective interest method.

In instances when revenue is derived from sales of third-party vendor services, material or licenses, revenue is recorded on a gross basis when the Company is a principal to the transaction and net of costs when the Company is acting as an agent between the customer and the vendor, once control of a promised good is transferred to a customer.

Revenue from certain activities in transition services in outsourcing arrangements are not capable of being distinct or represent separate performance obligation and is recognized over the period of the arrangement. Direct and incremental costs in relation to such transition activities which are expected to be recoverable under the contract are considered as contract fulfillment costs and classified as Deferred contract cost and recognized over the period of

HCL Technologies Luxembourg S.a.r.l**Notes to financial statements for the year ended 31 December 2024**

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

arrangement. Certain upfront non-recurring incremental contract acquisition costs and other upfront fee paid to customer are deferred and classified as Deferred contract cost and amortized to revenue, usually on a straight-line basis, over the term of the contract.

An onerous contract provision is recognized when the expected unavoidable costs of meeting the future obligations exceed the expected economic benefits to be received under a contract. Such provision, if any, is recorded in the period in which such losses become probable and is included in the cost of revenues.

Contract assets are recognized when revenue recognized is more than billing and right to consideration is conditional upon factors other than the passage of time. Unbilled receivables are recognized where the right to consideration is unconditional and only the passage of time is required before the payment is due (i.e., only act of invoicing is pending). Contract liability is Company's obligation to transfer goods or services to customers when there is excess billing over the revenue recognized.

f) Taxation

Income tax expense comprises current and deferred income tax.

Income tax expense is recognized in the statement of profit and loss. 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. Tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

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 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 or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to 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) Inventories

Stock in trade, stores and spares are valued at the lower of the cost or net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventory to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Cost of stock in trade procured for specific projects is assigned by identification of individual costs of each item. Cost of stock in trade, that are interchangeable and not specific to any project and cost of stores and spare parts are determined using the weighted average cost formula.

HCL Technologies Luxembourg S.a.r.l
Notes to financial statements for the year ended 31 December 2024
(All amounts in thousands except share data and as stated otherwise)

h) Provisions and contingent liabilities

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 at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

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.

i) Retirement and other employee benefits

Contributions to defined contribution plans are recognized as expense when employees have rendered services entitling them to such benefits. The employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating in nature. The employees can carry forward up to the specified portion of the unutilized accumulated compensated absences and utilize it in future periods or receive cash at retirement or termination of employment. The expense on non-accumulating compensated absences is recognized in the statement of profit and loss in the year in which the absences occur.

j) 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 equivalent

Cash in the balance sheet comprise cash in banks, which is subject to an insignificant risk of changes in values.

Financial instruments at amortized cost

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

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

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

HCL Technologies Luxembourg S.a.r.l
Notes to financial statements for the year ended 31 December 2024
(All amounts in thousands except share data and as stated otherwise)

Derecognition of financial assets

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

Impairment of financial assets

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

ii) Financial liabilities

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

The Company's financial liabilities include trade payables and other payables.

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

De-recognition

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.

k) Earning per share

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 year, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

HCL Technologies Luxembourg S.a.r.l
Notes to financial statements for the year ended 31 December 2024

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

l) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. The company identifies and determines separate useful lives for each major component of the property, plant and equipment, if they have a useful life that is materially different from that of the assets as a whole.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard or period of performance. Expenses on existing property, plant and equipment, including day-to-day repairs, maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the year during which such expenses are incurred.

Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Property, plant and equipment under construction and cost of assets not ready for use before the year-end, are disclosed as capital work - in - progress.

Depreciation on property, plant and equipment is provided on the straight-line method over their estimated useful lives, as determined by the management. Depreciation is charged on a pro-rata basis for assets purchased/sold during the year.

The management's estimates of the useful lives of following assets for computing depreciation are as follows: -

Asset Description	Asset Life (in years)
Computer	4-5

The useful life as given above best represents the period over which the management expects to use these assets, based on technical assessment. Hence, the useful life for the assets is different from the useful life prescribed under Part C of Schedule II of the Companies Act 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

m) Nature and purpose of reserves

Capital Contribution Account

Capital Contribution Account pertains to contribution from holding company and carries the same pari - passu rights w.r.t equity shareholders and is not available for free distribution.

Net Wealth Tax Reserves

The company reduced its Net Wealth Tax liability in accordance with paragraph 8a of the Luxembourg Net Wealth Tax law. The Company allocates under non-distributable reserves an amount corresponding to five times the amount of reduction of the Net Wealth Tax. The reserve is non-distributable for a period of five years from the year following that during which the Net Wealth Tax was reduced.

HCL Technologies Luxembourg S.a.r.l
Notes to financial statements for the year ended 31 December 2024

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

n) Recently issued accounting pronouncements

Adoption of new accounting principles

Deferred tax related to assets and liabilities arising from a single transaction (amendments to Ind AS 12 - Income Taxes)

The amendments clarify that lease transactions give rise to equal and offsetting temporary differences and financial statements should reflect the future tax impacts of these transactions through recognizing deferred tax.

The Company has adopted this amendment effective 1 April 2023. The Company previously accounted for deferred tax on leases on a net basis. Following the amendments, the company has recognized a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. The adoption did not have any impact on the current and comparative periods presented in the consolidated financial statements

HCL Technologies Luxembourg S.a.r.l.

Notes to financial statements for the year ended 31 December 2024

(All amounts in thousands of EUR, except share data and as stated otherwise)

2. Notes to financial statements

2.1 Property, plant and equipment

The changes in the carrying value for the year ended 31 December 2024

	Computers	Total
Gross block as at 1 January 2024	12	12
Additions	-	-
Deletions/Adjustments	-	-
Gross block as at 31 December 2024	12	12
Accumulated depreciation as at 1 January 2024	4	4
Charge for the year	3	3
Deletions	-	-
Accumulated depreciation as at 31 December 2024	7	7
Net block as at 31 December 2024	5	5

The changes in the carrying value for the year ended 31 December 2023

	Computers	Total
Gross block as at 1 January 2023	12	12
Additions	-	-
Deletions/Adjustments	-	-
Gross block as at 31 December 2023	12	12
Accumulated depreciation as at 1 January 2023	1	1
Charge for the year	3	3
Deletions	-	-
Accumulated depreciation as at 31 December 2023	4	4
Net block as at 31 December 2023	8	8

2.2 Other financial assets

	As at	
	31 December 2024	31 December 2023
Non - current		
Carried at amortized cost		
Finance Lease receivable	5	16
	5	16
Current		
Carried at amortized cost		
Financial lease receivable	11	10
	11	10

HCL Technologies Luxembourg S.a.r.l.

Notes to financial statements for the year ended 31 December 2024

(All amounts in thousands of EUR, except share data and as stated otherwise)

2.3 Trade receivable

(a) Non - current

	As at	
	31 December 2024	31 December 2023
Unbilled receivables	18	-
	18	-

(b) Current

	As at	
	31 December 2024	31 December 2023
Billed		
Unsecured, considered good (refer note below)	726	1,087
Trade Receivables- which have significant increase in credit risk	39	1
	765	1,088
Loss allowance for bad and doubtful debts (refer note 2.23)	-	(1)
	765	1,087
Unbilled receivables (refer note below)	200	58
	965	1,145

Note : Includes billed receivables from related parties amounting to EUR 165 as on 31 December 2024 (31 December 2023, EUR 733) and unbilled receivables from related parties amounting to EUR 192 as on 31 December 2023 (31 December 2023 EUR 2) (Refer note 2.20)

Trade receivables - current	Not Due	Outstanding as at 31 December 2024 from the due date of payment					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed - considered good	428.58	255.27	36.51	5.21	-	-	726
Undisputed - which have significant increase in credit risk	-	-	-	39	-	-	39
	428.58	255	37	44	-	-	765
Loss allowance for bad and doubtful debts							-
							765
Unbilled receivables	200	-	-	-	-	-	200
							965

Trade receivables - current	Not Due	Outstanding as at 31 December 2023 from the due date of payment					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed - considered good	308	733	32	10	4	-	1,087
Undisputed - credit impaired	-	-	-	-	1	-	1
	308	733	32	10	5	-	1,088
Loss allowance for bad and doubtful debts							(1)
							1,087
Unbilled receivables	58	-	-	-	-	-	58
							1,145

2.4 Cash and cash equivalents

	As at	
	31 December 2024	31 December 2023
Balance with banks		
- in current accounts	700	1,135
	700	1,135

HCL Technologies Luxembourg S.a.r.l.**Notes to financial statements for the year ended 31 December 2024**

(All amounts in thousands of EUR, except share data and as stated otherwise)

2.5 Other current assets

	As at	
	31 December 2024	31 December 2023
Others		
Deferred contract cost - related parties (refer note no: 2.21)	266	205
Others	7	2
	273	207

2.6 Equity Share capital

	As at	
	31 December 2024	31 December 2023
Authorized		
500 Equity shares of EUR 100 each	50	50
Issued, subscribed and fully paid up		
500 Equity shares of EUR 100 each	50	50

Terms/ rights attached to Equity shares

The Company has only one class of shares referred to as equity shares having a par value of EUR 100/-. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the shareholders 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 December 2024		31 December 2023	
	No. of shares	Amount (EUR)	No. of shares	Amount (EUR)
Number of shares at the beginning	500	50	500	50
Number of shares at the end	500	50	500	50

Shares held by holding company :-

Name of the shareholder	As at			
	31 December 2024		31 December 2023	
	No. of shares	% Holding	No. of shares	% Holding
Equity shares of EUR 100 each fully paid HCL Technologies UK Limited, the holding company	500	100%	500	100%

Details of shareholders holding more than 5 % shares in the company:-

Name of the shareholder	As at			
	31 December 2024		31 December 2023	
	No. of shares	% Holding	No. of shares	% Holding
Equity shares of EUR 100 each fully paid HCL Technologies UK limited, the holding company	500	100%	500	100%

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.

HCL Technologies Luxembourg S.a.r.l.**Notes to financial statements for the year ended 31 December 2024**

(All amounts in thousands of EUR, except share data and as stated otherwise)

2.10 Other current liabilities

	As at	
	31 December 2024	31 December 2023
Withholding and other statutory dues	66	71
Advance received from customers	-	
	66	71

2.11 Provisions

	As at	
	31 December 2024	31 December 2023
Current		
Provision for leave benefits	25	14
	25	14

2.12 Revenue from operations

	Year ended	
	31 December 2024	31 December 2023
Sale of services	2,356	2,012
Sale of hardware and software	-	18
	2,356	2,029.73

Disaggregate Revenue Information

The disaggregated revenue from contracts with the customers by geography wise is as follows:

	Year ended	
	31 December 2024	31 December 2023
Geography wise		
Europe	2,074	1,555
India	106	260
Others	214	215
	2,394	2,030

Remaining performance obligations

As at 31 December 2024, the aggregate amount of transaction price allocated to remaining performance obligations as per the requirements of Ind AS 115 was EUR 2,807 (31 December 2023, EUR 2,124) out of which, approximately 44% (31 December 2023, 38%) is expected to be recognized as revenues within one year and the balance beyond one year. These amounts are not adjusted for variable consideration allocated to remaining performance obligation, which are not probable. These amounts also exclude contracts for which we recognize revenues based on the right to invoice for services performed and contracts where consideration is in the form of a sales-based or usage-based royalty promised in exchange for a license of intellectual property.

HCL Technologies Luxembourg S.a.r.l.**Notes to financial statements for the year ended 31 December 2024**

(All amounts in thousands of EUR, except share data and as stated otherwise)

2.12 Revenue from operations (continued)**Contract balances****Contract liabilities :**

The below table discloses the movement in balances of contract liabilities :

	Year ended	
	31 December 2024	31 December 2023
Balance as at beginning of the year	264	260
Additional amounts billed but not recognized as revenue	50	145
Deduction on account of revenues recognized during the year	(52)	(141)
Balance as at end of the year	262	264

Deferred contract cost : Deferred contract cost primarily represents the contract fulfilment cost and cost for obtaining the contract.

The below table discloses the movement in balance of deferred contract cost:

	Year ended	
	31 December 2024	31 December 2023
Balance as at beginning of the year	205	125
Additional cost capitalised during the year	80	104
Deduction on account of cost amortised during the year	(19)	(24)
Balance as at end of the year	266	205

2.13 Other Income

	Year ended	
	31 December 2024	31 December 2023
Interest income		
-On others	35	25
Bad debts written back	1	
	36	25

2.14 Changes in inventories of stock-in-trade

	Year ended	
	31 December 2024	31 December 2023
Opening stock	0	13
Less: Closing stock	0	0
	0	13

HCL Technologies Luxembourg S.a.r.l.**Notes to financial statements for the year ended 31 December 2024**

(All amounts in thousands of EUR, except share data and as stated otherwise)

2.15 Employee benefits expense

	Year ended	
	31 December 2024	31 December 2023
Salaries, wages and bonus	783	734
Contribution to other employee funds	77	53
Staff welfare expenses	0	-
	860	787

2.16 Finance cost

	Year ended	
	31 December 2024	31 December 2023
Other interest costs and bank charges	3	3
	3	3

2.17 Other expenses

	Year ended	
	31 December 2024	31 December 2023
Communication costs	1	2
Travel & Conveyance	34	26
Legal and professional charges	53	39
Provision for doubtful debts/(reversal)	(1)	(1)
Recruitment, training and development	-	8
Exchange differences (net)	9	10
Others	1	
	97	84

2.18 Income taxes

	Year ended	
	31 December 2024	31 December 2023
Income tax charged to statement of profit and loss		
Current income tax charge	26	36
Prior period tax impact	(3)	-
Others-WHT provision		13
	23	49

The reconciliation between the provision for income tax and amount computed by applying the statutory income tax rate is as follows:

	Year ended	
	31 December 2024	31 December 2023
Profit before income tax	117	164
Statutory tax rate	22%	22%
Expected tax expense	26	36
WHT Provision	-	13
Creation/ (Reversal) of prior year provision	(3)	-
Total taxes	23	49
Effective income tax rate	20%	30%

Note: Since, there are no temporary differences between tax base of assets and liabilities and carrying amount in financial statements, there is no requirement to create Deferred tax liability/asset

HCL Technologies Luxembourg S.a.r.l.**Notes to financial statements for the year ended 31 December 2024**

(All amounts in thousands of EUR, except share data and as stated otherwise)

2.19 Earning per share (EPS)

Particulars	Year ended	
	31 December 2024	31 December 2023
Net profit as per statement of profit and loss for computation of EPS	95	115
Weighted average number of equity shares outstanding in calculating basic and dilutive EPS *	3500	3500
Nominal value of equity shares (in EUR)	100	100
Earning per equity share (in EUR)		
Basic and Diluted	27.05	32.74

*We have considered capital contribution account which carries same pari passu rights w.r.t equity shares along with the eligibility of dividend rights, for computation of basic EPS.

2.20 Related party transaction**a) Related parties where control exists****Ultimate Holding company**

HCL Technologies limited

Holding company

HCL Technologies UK limited

b) Related parties where transactions have taken place during the year**Ultimate Holding company**

HCL Technologies limited

Holding company

HCL Technologies UK limited

Fellow subsidiary

HCL Technologies Corporate Services Limited

HCL Technologies Czech Republic S.R.O.

HCL Japan Limited

HCL Singapore Pte. Limited

HCL Technologies Columbia S.A.S.

HCL Technologies Italy S.p.A.

HCL (Ireland) Information Systems Limited

Axon Solutions (Shanghai) Co. Limited

HCL Mexico S. de R.L.

HCL America Solutions Inc.

HCL Technologies Germany GmbH

HCL Poland sp. z o.o

HCL Technologies B.V.

HCL Technologies Sweden AB

Filial Espanola De HCL Technologies S.L.

HCL Technologies Malaysia SDN BHD (Fy HCLAxonMalaysiaSDNBHD)

HCL Technologies South Africa (Proprietary) Limited

HCL istanbul Bilisim Teknolojileri Limited sirketi

HCL Technologies Belgium BVBA

HCL Technologies Egypt Limited

HCL Technologies Austria GmbH

HCL Hungary kft

HCL Technologies Philippines, Inc

HCL Technologies Denmark ApS

HCL Canada Inc.-SD

HCL Latin America Holding, LLC, Costa Rica Branch

c) Transactions with related parties during the year in the ordinary course of business

Particulars	Ultimate Holding Company		Holding Company		Fellow Subsidiaries	
	Year ended		Year ended		Year ended	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Revenue	212	262	113	7	779	676
Outsourcing cost	657	555	-	-	363	91

d) Outstanding balances with related parties

Particulars	Ultimate Holding Company		Holding Company		Fellow Subsidiaries	
	As at		As at		As at	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Trade receivables	95	20	-	-	70	713
Unbilled receivables	17	2	-	-	175	-
Deferred contract cost	266	205	-	-	-	-
Trade payables	36	11	-	-	-	22
Unbilled & accruals	372	527	-	25	139	459

HCL Technologies Luxembourg S.a.r.l.**Notes to financial statements for the year ended 31 December 2024****(All amounts in thousands of EUR, except share data and as stated otherwise)****2.21 Segment Reporting**

Operating segments are defined as components of an enterprise for which discrete financial information is available and their results are reviewed regularly by the chief operating decision maker (CODM), for allocation of resources and assessing performance.

The Company's ultimate holding company, HCL Technologies Limited's chief operating decision maker (CODM) reviews its results for allocation of resources and assessing performance by business segment comprising IT and Business Services, Engineering and R&D Services, and HCL Software segment. The ultimate Holding Company monitors the risk and returns of the Company's businesses on an entity level and evaluates the performance of the Company as one business segment. Hence there is only one reportable segment of the Company, as envisaged under Indian Accounting Standards -108 "Operating segments".

Revenue disaggregation as per geography is given in note 2.12

2.22 Financial instruments**a) Financial assets and liabilities**

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

Particulars	Amortized cost	Total carrying value
Financial assets		
Trade receivables (including unbilled)	983	983
Cash and cash equivalents	700	700
Others (refer note 2.2)	16	16
Total	1,699	1,699
Financial liabilities		
Trade payables (including unbilled and accruals)	726	726
Others (refer note 2.7)	146	146
Total	872	872

The carrying value of financial instruments by categories as at 31 December 2023 is as follows:

Particulars	Amortized cost	Total carrying value
Financial assets		
Trade receivables (including unbilled)	1,144	1,144
Cash and cash equivalents	1,135	1,135
Others (refer note 2.2)	26	26
Total	2,305	2,305
Financial liabilities		
Trade payables (including unbilled and accruals)	1,362	1,362
Others (refer note 2.7)	98	98
Total	1,460	1,460

(b) Financial risk management

The Company is exposed to market risk, credit risk and liquidity risk which may impact the fair value of its financial instruments. The Company has a risk management policy to manage & mitigate these risks.

The Company's risk management policy aims to reduce volatility in financial statements while maintaining balance between providing predictability in the Company's business plan along with reasonable participation in market movement.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk and interest rate risk. The Company is primarily exposed to fluctuation in foreign currency exchange rates.

HCL Technologies Luxembourg S.a.r.l**Notes to financial statements for the year ended 31 December 2024****(All amounts in thousands of EUR, except share data and as stated otherwise)****(i) Foreign currency risk**

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

The exchange rate risk primarily arises from assets and liabilities denominated in currencies other than functional currency. An insignificant portion of the Company's revenue is in other foreign currency while a large portion of costs are in EUR. The fluctuation in exchange rates in respect to EUR may not have potential impact on the Statement of Profit and Loss and Equity.

Appreciation / depreciation of 1% in respective foreign currencies with respect to functional currency of the Company would result in decrease / increase in the Company's profit before tax is immaterial for the year ended 31 December 2024.

The rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 1% against the respective functional currencies of the Company and its branches. The sensitivity analysis presented above may not be representative of the actual change.

Non-derivative foreign currency exposure as of 31 December 2024 and 31 December 2023 in major currencies is as below:

	Financial assets		Financial liabilities	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
USD/EUR	-	24	0	49
ZAR/EUR	8	7	-	-
CRC/EUR	-	-	-	10
EGP/EUR	-	-	-	1
BRL/EUR	-	-	-	3

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's investments are primarily in fixed rate interest bearing investments. Hence the Company is not significantly exposed to interest rate risk.

(iii) Credit risk

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

The customers of the Company are primarily corporations based in the Europe, India and accordingly, trade receivables, unbilled receivables and finance lease receivables are concentrated in the respective countries. The Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of trade receivables, unbilled receivables and finance lease receivables. Customer Inetum Luxembourg S.A., NSI Luxembourg, Amexio Luxembourg S.A, State Street Bank & Trust Corporati & GMS-iT sarl accounts for more than 90% of direct trade receivables, unbilled receivables and finance lease receivable.

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

	As at	
	31 December 2024	31 December 2023
Balance at the beginning of the year	1	2
Additional/ (Reversal of) provision during the year	(1)	(1)
Deductions on account of write offs and collections	-	-
Balance at the end of the year	-	1

(iv) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with financial liabilities. The investment philosophy of the Company is capital preservation and liquidity in preference to returns. The Company consistently generates sufficient cash flows from operations and has access to multiple sources of funding to meet the financial obligations and maintain adequate liquidity for use.

Maturity profile of the Company's financial liabilities based on contractual payments is as below:

	Year 1 (Current)	Year 2	Year 3	Year 4-5 and thereafter	Total
As at 31 December 2024					
Trade payables	726	-	-	-	726
Other financial liabilities	138	8	-	-	146
Total	864	8	-	-	872
As at 31 December 2023					
Trade payables	1,362	-	-	-	1,362
Other financial liabilities	98	-	-	-	98
Total	1,460	-	-	-	1,460

HCL Technologies Luxembourg S.a.r.l

Notes to financial statements for the year ended 31 December 2024

(All amounts in thousands of EUR, except share data and as stated otherwise)

2.23 Ratio

Ratio	Numerator	Denominator	Units	Year ended		%Variance
				31 December 2024	31 December 2023	
Current ratio	Current assets	Current liabilities	Times	1.66	1.37	21%
Return on equity ratio	Profit for the year	Average total equity	%	13%	18%	-29%
Inventory turnover ratio	Cost of good sold (refer note 1 below)	Average inventories	Times	-	3.60	-100%
Trade receivables turnover ratio	Revenue from operations	Average trade receivables	Times	2.22	2.20	1%
Trade payables turnover ratio	Net credit purchases (refer note 2 below)	Average trade payables	Times	1.35	1.08	25%
Net capital turnover ratio	Revenue from operations	Working capital (refer note 3 below)	Times	3.20	3.46	-7%
Net profit ratio	Profit for the year	Revenue from operations	%	4%	6%	-29%
Return on capital employed	Earning before interest and taxes	Capital employed (refer note 4 below)	%	15%	23%	-37%

Notes :

- (1) Cost of goods sold includes purchase of stock in trade and change in inventories of stock in trade
- (2) Net credit purchase includes purchase of stock-in-trade , change in inventories of stock-in-trade, outsourcing costs and other expenses
- (3) Working capital = current assets - current liabilities
- (4) Capital employed = Tangible net worth -deferred tax assets
- (5) Average is calculated based on simple average of opening and closing balances

Explanation where change in the ratio is more than 25%

Return on equity ratio - In last year, financial year of company has been changed, due to which PAT of only 9 months is considered in last year, however in current year 12 months PAT is considered due to which there is increase in PAT and subsequently increase in Return on Equity

Inventory turnover ratio - No material revenue is there in calendar year 2024, hence no cost of goods sold is accounted for during the year.

Trade payables turnover ratio - Due to increase in net credit purchase in current year , Trade paybles turonver ratio is in increasing trend.

Net profit ratio - In last year, financial year of company has been changed, due to which PAT of only 9 months is considered in last year, however in current year 12 months PAT is considered due to which there is increase in PAT due to which there is increase in PAT and subsequently increase in Net Profit Ratio

Return on capital employed - Due to decrease in earning before interest and taxed during the current year, Return on capital employed is in decreasing trend

2.24 Subsequent event

The Company has evaluated all the subsequent events through 15th May ,2025 which is the date on which these financial statements were issued, and no events have occurred from the balance sheet date through that date except for matters that have already been considered in the financial statements.

3. The Company has presented its financial statements in " EUR in thousands" and accordingly, amounts less than EUR 0.50 thousands are rounded off to zero.

As per our report of even date

For B S R & Co. LLP

ICAI Firm Registration Number : 101248W/W-100022

Chartered Accountants

RAKESH
DEWAN

Digitally signed by
RAKESH DEWAN
Date: 2025.05.15
22:57:00 +05'30'

Rakesh Dewan

Partner

Membership Number: 092212

Gurugram, India

Date : 15 May, 2025

For and on behalf of the Board of Directors of
HCL Technologies Luxembourg S.a.r.l

Signed by:

igned by:

Shiv Kumar Walia utam Rungta

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Director

Director

Noida, India

Date : 15 May, 2025

Noida, India

Date : 15 May, 2025