

*Translation of Financial Statements Originally issued in Arabic*

*HCL Technologies 12-2024E V1.4*

**HCL TECHNOLOGIES EGYPT LTD (L.L.C)**

**FINANCIAL STATEMENTS  
TOGETHER WITH AUDITOR'S REPORT**

**FOR THE PERIOD ENDED  
31 DECEMBER 2024**

HCL Technologies Egypt Ltd (L.L.C)

**FINANCIAL STATEMENTS**

For the period ended 31 December 2024

---

**Contents**

**Page Number**

- Auditor's Report	-
- Statement of Financial Position	1
- Statement of Profit or losses	2
- Statement of Comprehensive Income	3
- Statement of Changes in quota holders Equity	4
- Statement of Cash Flows	5
- Notes to the Financial Statements	6-31



# Hazem Hassan

Public Accountants & Consultants

B (105) – Avenue (2) – Smart Village  
Km 28 Cairo – Alex Desert Road  
Giza – Cairo – Egypt  
Postal Code : 12577

Telephone : (202) 35 37 5000 – 35 37 5005  
E-mail : Egypt@kpmg.com.eg  
Fax : (202) 35 37 3537  
P.O. Box : (5) Smart Village

*Translation of Auditor's report  
Originally issued in Arabic*

## AUDITOR'S REPORT

### TO THE QUOTA HOLDERS OF HCL TECHNOLOGIES EGYPT LTD (L.L.C)

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of HCL Technologies Egypt Ltd (L.L.C), which comprise the statement of financial position as of 31 December 2024, and the statements of profit or loss, comprehensive income, changes in equity and cash flows for the nine months from 1 April 2024 to 31 December 2024, and a summary of significant accounting policies and other explanatory notes.

#### **Management's Responsibility for the Financial Statements**

These financial statements are the responsibility of Company's management. Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Egyptian Accounting Standards and in the light of the prevailing Egyptian laws, management responsibility includes, designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; management responsibility also includes selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Egyptian Standards on Auditing and in the light of the prevailing Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



**Hazem Hassan**

*Translation of Auditor's report  
Originally issued in Arabic*

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of HCL Technologies Egypt Ltd (L.L.C) as of 31 December 2024, and of its financial performance and its cash flows for nine months from 1 April 2024 to 31 December 2024 in accordance with the Egyptian Accounting Standards and the Egyptian laws and regulations relating to the preparation of these financial statements.

### **Emphasis of Matter**

We draw attention to Note 2-1 of the financial statements, which describes the effects of changing the company's annual reporting date. Our opinion is not modified in respect of this matter.

### **Report on Other Legal and Regulatory Requirements**

The Company maintains proper books of account, which include all that is required by law and by the statutes of the Company and the financial statements are in agreement therewith.

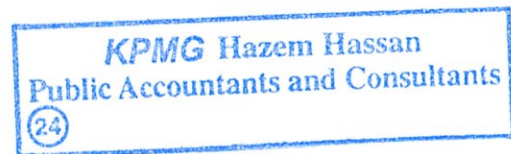
The financial information included in the General Manager report, prepared in accordance with Law No. 159 of 1981 and its executive regulations, is in agreement with the Company's books of account within the limits that such information is recorded therein.

*KPMG*

KPMG Hazem Hassan

Public Accountants & Consultants

Cairo, 10 July 2025



HCL Technologies Egypt Ltd (L.L.C)

**STATEMENT OF FINANCIAL POSITION**

31 December 2024

	<i>Note</i>	<i>31/12/2024</i> <i>EGP</i>	<i>31/3/2024</i> <i>EGP</i>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
<b>Intangible Assets</b>			
Good will	4	18,970,690	439,125
Customer List	4	6,737,783	336,561
<b>Tangible Assets</b>			
Property, plant and equipment “net”	5	20,979,160	8,005,261
<b>Other Non-Current assets</b>			
Deferred tax assets	6	12,606,121	9,257,029
Finance lease receivables		-	7,059
<b>Total non-Current Asset</b>		<b>59,293,754</b>	<b>18,045,035</b>
<b>CURRENT ASSETS</b>			
Accounts receivables “net”	7	44,007,350	30,884,757
Amounts due from related parties	8	37,586,201	72,419,508
Finance lease receivables		10,060	376,999
Other receivables	9	64,466,380	13,636,012
Cash and Cash equivalents	10	75,213,787	106,385,650
<b>Total current assets</b>		<b>221,283,778</b>	<b>223,702,926</b>
<b>Total assets</b>		<b>280,577,532</b>	<b>241,747,961</b>
<b>EQUITY AND LIABILITIES</b>			
<b>QUOTA HOLDER EQUITY</b>			
Paid up capital	11	4,654,190	4,654,190
Legal reserve		1,389,713	744,861
Retained earnings		21,602,613	9,350,428
<b>Total Quota Holder Equity</b>		<b>27,646,516</b>	<b>14,749,479</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Deferred Revenue		5,917,904	338,768
<b>Total Non-Current Liabilities</b>		<b>5,917,904</b>	<b>338,768</b>
<b>CURRENT LIABILITIES</b>			
Accounts Payable		22,300,084	17,320,214
Amounts due to related parties	8	143,226,550	173,842,672
Income tax payable	6	6,973,300	9,928,187
Accrued expenses and other payables	12	74,513,178	25,568,641
<b>Total current liabilities</b>		<b>247,013,112</b>	<b>226,659,714</b>
<b>Total Liabilities</b>		<b>252,931,016</b>	<b>226,998,482</b>
<b>Total Liabilities and Quota Holder Equity</b>		<b>280,577,532</b>	<b>241,747,961</b>

Auditor’s report “attached”

*Raghu Raman Lakshmanan*  
**Raghu Raman Lakshmanan**  
General Manager

The accompanying notes from (1) to (22) are an integral part of these financial statements.

HCL Technologies Egypt Ltd (L.L.C)

**STATEMENT OF PROFIT OR LOSS**

For the period from 1 April to 31 December 2024

	<i>Note</i>	<i>31/12/2024</i> <i>EGP</i>	<i>31/3/2024</i> <i>EGP</i>
Revenues	13	245,064,452	170,381,251
Cost of revenues	16	(207,179,865)	(107,830,551)
<b>Gross profit</b>		<b>37,884,587</b>	<b>62,550,700</b>
General and administrative expenses	14	(17,403,807)	(12,587,554)
Impairment loss on accounts receivable		(1,046,930)	(6,130,261)
Reverse of impairment on accounts receivable		1,792,405	-
Depreciation on fixed assets	5	(2,947,628)	(1,283,890)
Amortization of customer List	4	(126,177)	(92,821)
Reversal of provision and accrued expense		-	569,599
		<b>(19,732,137)</b>	<b>(19,524,927)</b>
<b>Net operating profit</b>		<b>18,152,450</b>	<b>43,025,773</b>
Finance income		7,544,997	3,281,165
Finance costs		(9,583,550)	(38,811,480)
<b>Net finance costs</b>	15	<b>(2,038,553)</b>	<b>(35,530,315)</b>
<b>Net profit for the period before tax</b>		<b>16,113,897</b>	<b>7,495,458</b>
Current income taxes	6	(6,565,951)	(10,505,455)
Deferred income taxes	6	3,349,091	7,532,675
<b>Profit for the period</b>		<b>12,897,037</b>	<b>4,522,678</b>
<b>Earnings/(Loss) per Quota</b>	17	<b>27.71</b>	<b>9.72</b>

*Raghu Raman Lakshmanan*

**Raghu Raman Lakshmanan**  
**General Manager**

The accompanying notes from (1) to (22) are an integral part of these financial statements.

HCL Technologies Egypt Ltd (L.L.C)

---

**STATEMENT OF OTHER COMPREHENSIVE INCOME**

For the period from 1 April to 31 December 2024

	<i>31/12/2024</i>	<i>31/3/2024</i>
	<i>EGP</i>	<i>EGP</i>
Net profit/(loss) for the period	12,897,037	4,522,678
Other comprehensive income	-	-
<b>Total Comprehensive income</b>	<b>12,897,037</b>	<b>4,522,678</b>

The accompanying notes from (1) to (22) are an integral part of these financial statements.

HCL Technologies Egypt Ltd (L.L.C)

**STATEMENT OF CHANGES IN QUOTA HOLDER EQUITY**

For the period from 1 April to 31 December 2024

	<i>Paid up capital EGP</i>	<i>Legal reserve EGP</i>	<i>Retained earnings EGP</i>	<i>Total EGP</i>
<b>Balance as of 31 March 2023</b>	<b>4,654,190</b>	<b>518,727</b>	<b>5,053,884</b>	<b>10,226,801</b>
Net Profits for the year	-	-	4,522,678	4,522,678
<b>Total Comprehensive Income</b>	-	-	<b>4,522,678</b>	<b>4,522,678</b>
Transferred to legal reserve	-	226,134	(226,134)	-
<b>Balance as of 31 March 2024</b>	<b>4,654,190</b>	<b>744,861</b>	<b>9,350,428</b>	<b>14,749,479</b>
Net Profits for the period	-	-	12,897,037	<b>12,897,037</b>
<b>Total Comprehensive Income</b>	-	-	<b>12,897,037</b>	<b>12,897,037</b>
Transferred to legal reserve	-	644,852	(644,852)	-
<b>Balance as of 31 December 2024</b>	<b>4,654,190</b>	<b>1,389,713</b>	<b>21,602,613</b>	<b>27,646,516</b>

The accompanying notes from (1) to (22) are an integral part of these financial statements.

HCL Technologies Egypt Ltd (L.L.C)

**STATEMENT OF CASH FLOWS**

For the period from 1 April to 31 December 2024

	<i>Note</i>	<i>31/12/2024</i> <i>EGP</i>	<i>31/3/2024</i> <i>EGP</i>
<b>OPERATING ACTIVITIES:</b>			
Net profit for the period before tax		16,113,897	7,495,458
Adjustments for:			
Amortization of customer list	4	126,177	92,821
Impairment loss on trade receivables		1,046,930	6,130,261
Reverse of Impairment on trade receivables		(1,792,405)	-
Depreciation for Fixed Assets	5	2,947,628	1,283,890
Reversal of provision and accrued expense		-	(569,599)
Interest on finance lease		(1,951)	(16,897)
		<u>18,440,275</u>	<u>14,515,934</u>
<b>Change in:</b>			
Account receivable		(12,374,542)	(1,775,660)
Due from related parties		34,833,308	(48,683,939)
Other receivables		(50,830,368)	(7,697,423)
Deferred revenue		5,579,136	(473,457)
Accounts Payable		4,979,870	8,352,659
Amounts due to related parties		(30,616,122)	90,939,751
Accrued expenses and other payables		48,922,847	4,576,919
<b>Cash provided from operating activities</b>		<u>18,934,404</u>	<u>59,654,784</u>
Income taxes paid		(9,501,401)	(1,783,313)
<b>Net cash flows from operating activities</b>		<u>9,433,003</u>	<u>57,871,471</u>
<b>INVESTMENT ACTIVITIES:</b>			
Payments for purchasing Fixed Assets		(15,921,527)	(7,102,831)
Acquisitions of customer list		(6,527,399)	-
Goodwill		(18,531,890)	-
Finance lease		375,949	954,497
<b>Net Cash used in investing activities</b>		<u>(40,604,866)</u>	<u>(6,148,334)</u>
<b>Net change in cash and cash equivalent during the period</b>			
		(31,171,863)	51,723,137
Cash and cash equivalents balance at the beginning of the period		106,385,650	54,662,513
<b>Cash and cash equivalents balance at the end of the period</b>	10	<u>75,213,787</u>	<u>106,385,650</u>

**NON-CASH TRANSACTION:**

The statement of cash flows does not include amounts for movement of impairment in value of accounts receivables amounted to EGP 748,051, Accrued expenses amounted to EGP 21,690.

The accompanying notes from (1) to (22) are an integral part of these financial statements.

HCL Technologies Egypt Ltd (L.L.C)

---

## **NOTES TO THE FINANCIAL STATEMENTS**

31 December 2024

### **1. BACKGROUND**

HCL Technologies Egypt Ltd (L.L.C) was established under the provisions of law No. 159 of 1981.

The Company was registered in the commercial registry under No. 81246 on 23 March 2015.

The registered office is located at “Office No. 1941, 19th Floor, North Tower, Nile City Towers, Corniche El Nile, Cairo Governorate, Arab Republic of Egypt”

The purpose of the Company is to characterize, analyse and design software, databases, and different types of applications. Produce and develop programs and applications and the creation of databases and electronic information systems then operate and provide training on it. Produce different types of electronic components from sound, image and written information.

The ultimate parent is HCL Technologies Ltd.

The General Manager approved the issuance of the financial statements for the period ended 31 December 2024 on **10<sup>th</sup> July 2025**

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **2-1 Basis of preparation**

The financial statements are prepared under the going concern assumption on a historical cost basis.

The financial statements are prepared and presented in Egyptian pound, which is the Company’s functional currency.

#### **Statement of compliance**

The financial statements of the Company have been prepared in accordance with the Egyptian accounting standards and the applicable laws and regulations.

The accounting policies adopted this year are consistent with those policies adopted in the prior year.

#### **Reporting Period Change:**

As per the general meeting dated 20 August 2024, the company has changed its annual reporting period to be from the first of January till the end of December instead of the first of April till the end of March. The company has made this change to be consistent with its operating cycle. Consequently, the company’s management has prepared its financial statements from 1 April 2024 to 31 December 2024 as a transitional period, so the comparative figures for this transitional period are the figures for the year started from 1 April 2023 to 31 March 2024. Due to the change in the annual reporting period, the amounts presented in the financial statements are not entirely comparable.

#### **2-2 Significant accounting judgments and estimates**

The preparation of these financial statements requires management to make judgments and estimates that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities at the reporting date.

---

**NOTES TO THE FINANCIAL STATEMENTS**

31 December 2024

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *Continued***

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

Estimates and their underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

The key judgements and estimates that have a significant impact on the separate financial statement of the Company are discussed below:

**2-2-1 Judgments**

**Revenue recognition**

EAS 48 addresses revenue recognition for contracts with customers as well as treatment of incremental costs incurred to obtain a contract with a customer.

Prior to its adoption, the company performed an assessment of its potential accounting effects and concluded that there was no significant impact on the financial statements from its adoption. In particular:

- The company's services are realized on the basis of signed customer contracts;
- In performing the contracts, the services rendered by the company form a single contractual arrangement;
- Consideration for services rendered is defined contractually, and there is no significant financial component. Variable pricing is restricted to bonuses or penalties applicable in certain contracts based on achieving or missing contractual ratios related to operations. The related amounts are not significant and may be reliably determined at each reporting date; the allocation of the consideration due under the transaction is straight-forward as there is only a single contractual arrangement
- Revenue is therefore recognized as services are rendered using a volume basis.

**2-2-2 Estimates**

**Impairment of trade and other receivables**

When measuring the impairment of financial assets the Incurred Loss Model is replaced by the Expected Credit Loss (ECL) Models, which requires measuring the impairment of all financial assets measured at amortized cost and financial instruments measured at fair value through other comprehensive income from their initial recognition date regardless whether there is any indication of the occurrence of loss event.

**Tax**

The company is subject to income tax imposed in Egypt. Important judgments are required to determine the total provisions for current and deferred taxes. The Company has made provisions, based on reasonable estimates, bearing in mind the potential consequences of the examinations conducted by the tax authorities in Egypt. The amount of this provision is based on several factors, including experience with previous tax checks and differing interpretations of tax regulations by the company and the responsible tax authority. Such differences in interpretation may arise in several subjects according to the conditions prevailing in Egypt at the time.

**NOTES TO THE FINANCIAL STATEMENTS**

31 December 2024

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

Deferred tax assets are recognized for unused and carried forward tax losses so that it is probable that they will offset taxable profits that these losses can be used to offset. Substantial management judgments must determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits, as well as future tax planning strategies.

**Impairment of non-financial assets**

At each reporting date, the company reviews the carrying amounts of its non-financial assets (other than inventory and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount

**Impairment of Goodwill**

Goodwill is tested annually on March 31, for impairment, or sooner whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the company cash generating units (CGU) expected to benefit from the synergies arising from the business combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU

The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU. Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU, pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill recognized in the statement of profit and loss is not reversed in the subsequent period.

**2-3 Summary significant accounting policies****2-3-1 Foreign currency translation**

Transactions in foreign currencies are initially recorded using the prevailing exchange rates on the transaction date.

Monetary assets and liabilities denominated in foreign currencies are retranslated using the exchange rates prevailing at the financial position date. All differences are recognized in the statement of profit or loss.

Nonmonetary items that are measured at historical cost in foreign currencies are translated using the exchange rates prevailing at the date of the initial recognition.

---

**NOTES TO THE FINANCIAL STATEMENTS**

31 December 2024

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *Continued***

Nonmonetary items measured at fair value in foreign currencies are translated using the exchange rates prevailing at the date when the fair value is determined.

**2-3-2 Accounts and other receivables**

Accounts and other receivables are measured at amortized cost and include invoiced amounts less appropriate allowances for estimated uncollectible amounts. Impairment is recognized when there is objective evidence that the company will not be able to collect all the amounts due. The impairment is the difference between the book value and the recoverable amount. Trade, notes receivables, debtors and other debit balances are initially recognized at fair value in addition to the transaction cost directly attributable to obtaining initial issue of financial asset, subsequently measured at amortized cost using the effective interest rate.

**2-3-3 Accounts and notes payable, accrued expenses and other payables**

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

**2-3-4 Provisions**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Provisions are reviewed at the financial position date and adjusted to reflect the current best estimate.

Where the effect of the time value of money is material, the amount of a provision should be the present value of the expected expenditures required to settle the obligation. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance expense.

**2-3-5 Social insurance**

The Company makes contributions to the Social Insurance Authority calculated as a percentage of the employees' salaries. The Company's obligations are limited to these contributions, which are expensed when due.

**2-3-6 Legal reserve**

According to the Company's articles of association, 5% of the net profits of the year is transferred to the legal reserve until this reserve reaches 50% of capital. The reserve is used upon a decision from the general assembly meeting.

**2-3-7 Income tax**

Current tax and deferred tax are recognized as income or expense in the statement of profit or loss of the year except to the extent that it relates to process or event recognized, or items recognized directly in equity or in OCI.

**NOTES TO THE FINANCIAL STATEMENTS**

31 December 2024

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *Continued*****Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are not offset unless certain conditions are met.

**Deferred tax**

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes (accounting purposes) and the amounts used for tax purposes.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans. 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; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

**2-3-8 Revenue recognition**

The company recognizes revenue from contracts with customers based on the five-step model outlined in Egyptian Accounting Standard (48):

Step 1: Define the contract with the customer: A contract is an agreement between two or more parties that results in binding rights and obligations and clarifies the criteria that must be met for each contract.

---

**NOTES TO THE FINANCIAL STATEMENTS**

31 December 2024

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *Continued***

Step 2: Identify performance obligations in the contract: A performance obligation is a promise to the customer as per the contract in order to transfer goods or provide services to the customer.

Step 3: Determine the transaction price: The transaction price is the price expected from the Company for the transfer of agreed goods or services with the customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that contains more than one performance obligation, the Group allocates the transaction price to each performance obligation in the amount of an estimated price for the goods or services expected to be received for the performance of the performance obligation.

Step 5: Recognize revenue when (or when) the entity satisfies the performance obligation.

The company satisfies the performance obligation and recognizes revenue over the term of the contract if it meets any of the following requirements:

1. the customer obtains the benefits arising from the performance of the group and consumes those benefits at the same time, or
2. The Company's performance results in the creation or improvement of an asset under the control of the Customer at the time of the improvement or creation, or
3. The company's performance of the obligation is not originally for other uses of the company, and the company has the right to collect the amount for the performance completed up to its enforceable date.

For performance obligations where one of the above conditions is not met, revenue is recognized at the time the performance obligation is satisfied.

When the Company satisfies a performance obligation by delivering agreed goods or rendering services, the Group creates an asset based on the contract for the price it received for the performance. If the amount of the price invoiced to the customer exceeds the amount of the included revenue, this increases the contract obligation.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

Revenue is recognized in the statement of profit or loss to the extent that it is expected that the economic benefits will flow to the company and that the revenue and costs, where applicable, can be measured reliably.

---

**NOTES TO THE FINANCIAL STATEMENTS**

31 December 2024

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *Continued***

**2-3-9 Expenses**

All expenses including operating expenses, general and administrative expenses and other expenses are recognized and charged to the statement of income in the financial year in which these expenses were incurred.

**2-3-10 Leases contract**

The Company, as a lessee, will recognize a right-of-use asset and a lease liability on the lease commencement date.

Upon initial recognition the right of use asset is measured as the amount equal to initially measure lease liability adjusted for lease prepayments, initial direct cost, lease incentives and the discounted estimated asset retirement obligation. Subsequently the right of use assets will be measured at cost net of any accumulated depreciation and accumulated impairment losses. Depreciation is calculated on a straight-line basis over the shorter estimated useful lives of the right-of-use assets or the lease term.

The lease liability is measured upon initial recognition at the present value of the future lease and related fixed services payments over the lease term, discounted with the interest rate implicit to the lease or Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Subsequently lease liabilities are measured at amortized cost using the effective interest rate method.

Right-of-use assets and lease liabilities will be remeasured subsequently if one of the following events occurs:

Change in lease price due to indexation or rate which has become effective in reporting period

Modifications to the lease contract

Reassessment of the lease term

Leases which are short term in nature (less than 12 months including extension options) and leases of low value items will continue to be expensed in the statement of profit or loss as incurred.

**2-3-11 Related party transactions**

Related parties represent associated companies, major quota holders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the General Manager.

**2-3-12 Contingent Liabilities and Assets**

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is not recognized in the separate financial statements but disclosed when an inflow of economic benefits is probable.

---

**NOTES TO THE FINANCIAL STATEMENTS**

31 December 2024

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *Continued***

**2-3-13 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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 that would use the asset in its highest and best use.

For assets traded in an active market, fair value is determined by reference to quoted market bid prices.

The fair value of interest-bearing items is estimated based on discounted cash flows using interest rates for items with similar terms and risk characteristics.

For unquoted assets, fair value is determined by reference to the market value of a similar asset or is based on the expected discounted cash flows.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the separate financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Fair value measurements are those derived from quoted prices in an active market (that are unadjusted) for identical assets or liabilities.
- Level 2 – Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 – Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognized in the separate financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

---

**NOTES TO THE FINANCIAL STATEMENTS**

31 December 2024

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *Continued***

**2-3-14 Impairment**

**Impairment of financial assets**

The Company assesses at each statement of financial position date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

**Impairment of non-financial assets**

At the financial statements date, the company reviews the carrying amounts of its owned non-financial assets to determine whether there is any indication that those assets may be impaired. If any such indication exists, the company estimates the recoverable amount for each asset separately in order to estimate the impairment losses. In case the recoverable amount of the asset cannot be properly estimated, the company estimates the recoverable amounts for the cash-generating unit which is related to the asset.

In case of using a reasonable and consistent basis for allocating the assets to the cash generating units, the company's general assets would be also allocated to these units. If this is unattainable, the general assets of the company shall be allocated to the smallest group of the cash-generating units, which the company determined using logical and fixed basis.

The asset recoverable amount or the cash-generating unit is represented by the higher of the fair value (less the estimated selling costs) or the estimated amount from the usage of the asset (or the cash generating unit).

The estimated future cash flow from the usage of the assets, or the cash generating unit using a discount rate before tax, is discounted in order to reach the present value for these flows; which represents the estimated amount from using the asset (or the cash generating unit).

This rate reflects current market assessments of the time value of money and the risks specific to the asset, which were not taken into consideration when estimating the future cash flow generated from it. When the recoverable amount of the asset (cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash generating unit) is reduced to its recoverable amount with the impairment loss recognized immediately in the consolidated income statement.

In case the impairment on asset (or cash generating unit) decreases subsequently, and this decrease is related in a logical manner to one event or more taking place after the initial recognition of the impairment at the profit or losses, a reversal is done for the revised amount of losses (or a part of it) which had been recognized previously- in the income statement, and the carrying amount for the asset is increased (or the cash generating unit) with the new estimated recoverable amount provided that the revised carrying amount of the asset after revising (or the cash generating unit) does not exceed the carrying amount determined for the asset, had the recognized losses resulting from impairment, not been recognized in previous years.

**2-3-15 Statement of cash flows**

The statement of cash flows is prepared using the indirect method.

**NOTES TO THE FINANCIAL STATEMENTS**

31 December 2024

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *Continued***

**2-3-16 Cash and cash equivalent**

For the purpose of preparing the statement of cash flows, the cash and cash equivalent comprise cash on hand, current accounts with banks and time deposits maturing within three months.

**2-3-17 Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Intangible assets are amortized over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss.

Gains or losses arising from derecognition of an intangible asset 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.

The intangible assets are amortized over expected revenue from P&P.

**2-3-18 Business combinations and goodwill**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is the aggregate of the consideration transferred measured at fair value at the acquisition date and the amount of any non-controlling interest in the acquiree. For each business combination, the Company measures the non-controlling interest in the acquiree at fair value. Acquisition related costs are expensed as incurred. Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as financial liability is measured at fair value with changes in fair value recognized in the statement of profit and loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest, and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the excess is recognized as capital reserve after reassessing the fair values of the net assets.

**2-3-19 Fixed assets and depreciation**

Fixed assets are recorded on purchase at cost and are presented in the financial statements net of accumulated depreciation and impairment losses. Historical costs include costs associated with the purchase of the asset. Depreciation is provided on a straight-line basis to write off the cost of each asset over its expected useful life as follows:

	<i>Estimated useful life</i>
Computers	3-5 Years
Laptop	1-4 Years



HCL Technologies Egypt Ltd (L.L.C)

**NOTES TO THE FINANCIAL STATEMENTS**

31 December 2024

**4. INTANGIBLE ASSETS**

	<i>31/12/2024</i>	<i>31/3/2024</i>
	<i>EGP</i>	<i>EGP</i>
Goodwill	18,970,690	439,125
Customer list	6,737,783	336,561
	<u>25,708,473</u>	<u>775,686</u>
<b>A) Goodwill:</b>		
Goodwill at date of acquisition	18,970,690	439,125
	<u>18,970,690</u>	<u>439,125</u>
<b>B) Customer List:</b>		
Customer List Cost	7,409,088	881,689
Accumulated amortization	(671,305)	(545,128)
	<u>6,737,783</u>	<u>336,561</u>

**5. PROPERTY, PLANT AND EQUIPMENT "NET"**

<u><i>31/12/2024</i></u>	<i>Computer</i>	<i>Laptop</i>	<i>Other</i>	<i>Total</i>
	<i>EGP</i>	<i>EGP</i>	<i>Equipment</i>	<i>EGP</i>
			<i>EGP</i>	<i>EGP</i>
<b>Cost:</b>				
At 1 April 2024	6,224,327	2,014,454	1,898,436	10,137,217
Additions during the period	333,333	15,588,193	-	15,921,526
At 31 December 2024	<u>6,557,660</u>	<u>17,602,647</u>	<u>1,898,436</u>	<u>26,058,743</u>
<b>Accumulated Depreciation:</b>				
At 1 April 2024	1,140,420	816,744	174,791	2,131,956
Depreciation for the period	1,000,129	1,661,433	286,066	2,947,627
At 31 December 2024	<u>2,140,549</u>	<u>2,478,177</u>	<u>460,857</u>	<u>5,079,583</u>
<b>Net book value:</b>				
At 31 December 2024	<u>4,417,111</u>	<u>15,124,470</u>	<u>1,437,579</u>	<u>20,979,160</u>
<u><i>31/3/2024</i></u>	<i>Computer</i>	<i>Laptop</i>	<i>Other</i>	<i>Total</i>
	<i>EGP</i>	<i>EGP</i>	<i>Equipment</i>	<i>EGP</i>
			<i>EGP</i>	<i>EGP</i>
<b>Cost:</b>				
At 1 April 2023	1,058,275	2,052,797	-	3,111,072
Additions during the year	5,166,052	-	1,898,436	7,064,488
Disposals during the year	-	(38,343)	-	(38,343)
At 31 March 2024	<u>6,224,327</u>	<u>2,014,454</u>	<u>1,898,436</u>	<u>10,137,217</u>
<b>Accumulated Depreciation:</b>				
At 1 April 2023	564,253	322,156	-	886,409
Depreciation for the year	576,167	532,931	174,791	1,283,890
Accumulated Depreciation for Disposals assets	-	(38,343)	-	(38,343)
At 31 March 2024	<u>1,140,420</u>	<u>816,744</u>	<u>174,791</u>	<u>2,131,956</u>
<b>Net book value:</b>				
At 31 March 2024	<u>5,083,907</u>	<u>1,197,710</u>	<u>1,723,645</u>	<u>8,005,261</u>

HCL Technologies Egypt Ltd (L.L.C)

**NOTES TO THE FINANCIAL STATEMENTS**

31 December 2024

**6. INCOME TAXES**

	<i>31/12/2024</i> <i>EGP</i>	<i>31/3/2024</i> <i>EGP</i>
<b>Statement of Profit or Loss</b>		
Current income Tax	6,565,951	10,505,455
Deferred income Tax	(3,349,091)	(7,532,675)
<b>Income tax expense</b>	<u><b>3,216,860</b></u>	<u><b>2,972,780</b></u>
<b>Statement of financial position</b>		
Income taxes payable	(6,973,300)	(9,928,187)
Tax authority – withholding tax (Note 9)	1,206,194	207,377
<b>Net income tax receivable / (payable)</b>	<u><b>(5,767,106)</b></u>	<u><b>(9,720,810)</b></u>

The withholding tax - Tax authority are presented in (Note 9).

*Deferred Income Taxes*

	<b>Statement of financial position</b>		<b>Statement of profit or loss</b>	
	<i>31/12/2024</i> <i>EGP</i>	<i>31/3/2024</i> <i>EGP</i>	<i>31/12/2024</i> <i>EGP</i>	<i>31/3/2024</i> <i>EGP</i>
Unrealized foreign exchange differences	10,367,613	10,164,654	202,959	7,984,972
Gaap Adjustment	-	-	-	194,465
Deferred Revenue/Cost	4,785,804	-	4,785,804	
Depreciation of Tangibles	(2,465,738)	(874,380)	(1,591,358)	(637,928)
Amortization of Intangibles	(81,559)	(33,245)	(48,314)	(8,834)
<b>Net deferred income tax</b>	<u><b>12,606,121</b></u>	<u><b>9,257,029</b></u>	<u><b>3,349,091</b></u>	<u><b>7,532,675</b></u>

**RECONCILIATION OF THE EFFECTIVE INCOME TAX RATE**

		<i>31/12/2024</i> <i>EGP</i>		<i>31/3/2024</i> <i>EGP</i>
Net profit of the period		12,897,037		4,522,678
Income tax according to income statement		3,216,860		2,972,780
<b>Net profit before tax</b>		<u><b>16,113,897</b></u>		<u><b>7,495,458</b></u>
Income tax using legal tax rate	22.50%	3,625,627	22.50%	1,686,479
Non-deductible expenses		453,653		1,621,841
Adjustment in respect of prior years		-		(335,540)
WHT Written off		(862,420)		-
<b>Income tax</b>	<b>19.96%</b>	<u><b>3,216,860</b></u>	<b>39.66%</b>	<u><b>2,972,780</b></u>

**7. ACCOUNTS RECEIVABLES - NET**

	<i>31/12/2024</i> <i>EGP</i>	<i>31/3/2024</i> <i>EGP</i>
Accounts Receivable	51,009,902	36,840,379
Allowance for Doubtful account.	(7,002,552)	(5,955,622)
	<u><b>44,007,350</b></u>	<u><b>30,884,757</b></u>

HCL Technologies Egypt Ltd (L.L.C)

**NOTES TO THE FINANCIAL STATEMENTS**

31 December 2024

**7. ACCOUNTS RECEIVABLES - NET**

Movement of impairment in value of accounts and notes receivables is as follows:

	<i>31/12/2024</i> <i>EGP</i>	<i>31/3/2024</i> <i>EGP</i>
Beginning Balance	5,955,622	1,617,766
Charged during the period	1,046,930	4,337,856
Ending Balance	<u>7,002,550</u>	<u>5,955,622</u>

**8. RELATED PARTIES**

For the purpose of these financial statements, parties are considered to be related to the Company, if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control. Related parties may be individuals or other entities.

**Related party transactions**

During the period, the following were the significant related party transactions, which were carried based on rules set by management:

<i>Related parties</i>	<i>Nature of the transactions</i>	<i>31/12/2024</i> <i>EGP</i>	<i>31/3/2024</i> <i>EGP</i>
HCL Finland	Services rendered (revenue)		16,975
HCL Technologies UK Limited	Services rendered (revenue)		3,279,649
HCL Technologies Corporate Services - United Kingdom	Services rendered (revenue)	48,625,918	17,782,700
HCL Technologies Corporate Services - United Kingdom	Consultancy fees (expense)	48,056,033	
HCL Technologies Limited 1000	Services rendered (revenue)	311,538	2,163,915
HCL Technologies Limited 1000	Consultancy fees (expense)	17,018,212	6,559,357
HCL Tech Ltd – IOMC	Services rendered (revenue)		(2,879)
HCL Tech Ltd – IOMC	Consultancy fees (expense)		3,291,572
HCL Technologies (PTY) Ltd. (Fy HCL Axon PTY Ltd.)	Services rendered (revenue)	3,208,268	-
HCL Technologies Sweden AB 5440	Consultancy fees (expense)		55,719
HCL Technologies Sweden AB 5440	Services rendered (revenue)		1,727,675
HCL Indonesia	Services rendered (revenue)		36,761
HCL Indonesia	Consultancy fees (expense)		197,270
HCL Brazil Tecnologia da Informação EIRELI	Services rendered (revenue)		47,784
HCL Brazil Tecnologia da Informação EIRELI	Consultancy fees (expense)		56,674
HCL AMERICA INC.	Consultancy fees (expense)	(858)	892,124
HCL AXON Malaysia SDN BHD	Consultancy fees (expense)		358,743
HCL AXON Malaysia SDN BHD	Services rendered (revenue)		329,889
HCL POLAND SP.Z O.O.	Consultancy fees (expense)		129,302
HCL Ireland Information Systems Ltd	Services rendered (revenue)		168,600
HCL Ireland Information Systems Ltd	Consultancy fees (expense)		254,929
HCL Technologies B.V.	Consultancy fees (expense)		322,736
HCL Technologies Denmark ApS	Consultancy fees (expense)		64,417
HCL Technologies Denmark ApS	Services rendered (revenue)		81,191
HCL Technologies Ltd Madurai	Consultancy fees (expense)		959,942
HCL Technologies Middle EAST FZ LLC	Consultancy fees (expense)		280,296
HCL Technologies Middle EAST FZ LLC	Services rendered (revenue)		83,240

HCL Technologies Egypt Ltd (L.L.C)

**NOTES TO THE FINANCIAL STATEMENTS**

31 December 2024

**8. RELATED PARTIES – Continued**

<i>Related parties</i>	<i>Nature of the transactions</i>	<i>31/12/2024 EGP</i>	<i>31/3/2024 EGP</i>
HCL Technologies Norway AS	Consultancy fees (expense)		273,054
HCL Technologies Costa Rica 7850	Consultancy fees (expense)		2,310,801
HCL Latin America Holding, LLC, Costa Rica 7600	Consultancy fees (expense)		145,279
HCL Canada INC. SD	Services rendered (revenue)		95,308
HCL Hong Kong SAR ltd	Consultancy fees (expense)		91,854
filial Espanola De HCL Technologies, S.L	Services rendered (revenue)	363,033	753,702
filial Espanola De HCL Technologies, S.L	Consultancy fees (expense)		46,929
HCL Technologies Philippines Inc.	Consultancy fees (expense)		323,141
HCL Technology Germany GMBH	Consultancy fees (expense)		130,499
HCL Technology Germany GMBH	Services rendered (revenue)	10,287,106	3,901,006
HCL South Africa	Consultancy fees (expense)		116,159
HCL Technologies Limited Nagpur	Consultancy fees (expense)		358,858
HCL Technologies Limited Nagpur	Services rendered (revenue)		16,977
HCL Technologies Ltd Lucknow	Consultancy fees (expense)		1,487,558
HCL Technologies Ltd Lucknow	Services rendered (revenue)		38,460,325
HCL Technologies Belgium BVBA	Consultancy fees (expense)		35,384
HCL TECNOLOGIA LIMITED ISRAEL	Consultancy fees (expense)		252,429
HCL Technologies Limited, Vijayawada	Consultancy fees (expense)		1,083,750
HCL Arabia LLC - Saudi Arabia	Services rendered (revenue)	1,973,999	2,226,763
HCL ARGENTINA S.A	Services rendered (revenue)	(134,747)	134,747
HCL Asia Pacific Pte Limited-Korea Branch	Consultancy fees (expense)		90,363
Hcl Istanbul Bilisim Teknolojileri Ltd. Sti.	Consultancy fees (expense)		2,962,291
HCL Technologies Columbia S.A.S	Consultancy fees (expense)		83,527
HCL Technologies Columbia S.A.S	Services rendered (revenue)	26,450	50,690
HCL TECHNOLOGIES ITALY S.P.A	Services rendered (revenue)		2,210,098
HCL TECHNOLOGIES MEXICO	Consultancy fees (expense)		633,646
HCL TECHNOLOGIES MEXICO	Services rendered (revenue)	528,203	-
HCL TECHNOLOGY Ltd UAE	Consultancy fees (expense)		1,207,850
HCL TECHNOLOGY NEW ZEALAND	Consultancy fees (expense)		1,007
HCL TECHNOLOGY NEW ZEALAND	Services rendered (revenue)		98,457
HCLTechnologies Chile SPA	Consultancy fees (expense)		233,171
HCLTechnologies Chile SPA	Services rendered (revenue)		243,851
Telrx Marketing Inc USA	Consultancy fees (expense)		2,400,784
Telrx Marketing Inc USA	Services rendered (revenue)		(62,182)
HCL Axon Solution Shanghai Co.Ltd - Shanghai Branch	Consultancy fees (expense)		3,648,114
HCL Axon Solution Shanghai Co.Ltd - Suzhou Branch	Consultancy fees (expense)		247,134
HCL Technologies Beijing co ltd	Consultancy fees (expense)		1,536,109
HCL TECHNOLOGIES LUXEMBOURG S.A.R.L	Consultancy fees (expense)		175,211
HCL Technologies Vietnam Company Limited	Consultancy fees (expense)		917,082
HCLTechnologies Lanka (Private) Limited	Consultancy fees (expense)		3,047,099
HCLTechnologies Lanka (Private) Limited	Services rendered (revenue)		428,516
HCL Technologies Limited - Russia Branch	Consultancy fees (expense)		(67,217)
HCL Technologies Ltd. Sucursal EM Portugal	Consultancy fees (expense)		46,094
HCL Technologies Morocco	Consultancy fees (expense)		259
HCL Technologies Romania S.R.L.	Consultancy fees (expense)		276,269
C3i Services & Technologies (Dalian) Co.,	Consultancy fees (expense)		309,694
HCL Technologies Angola	Services rendered (revenue)		9,304,173
HCL Technologies LiMITED, Swiss	Consultancy fees (expense)		355,375
HCL Technologies Taiwan Limited	Services rendered (revenue)		109,542

HCL Technologies Egypt Ltd (L.L.C)

**NOTES TO THE FINANCIAL STATEMENTS**

31 December 2024

**8. RELATED PARTIES – Continued**

<i>Related parties</i>	<i>Nature of the transactions</i>	<i>31/12/2024 EGP</i>	<i>31/3/2024 EGP</i>
HCL Axon Solution Shanghai Co. Ltd - Shanghai Branch	Services rendered (revenue)		35,912
HCL Technologies Greece	Services rendered (revenue)		65,715
HCL Technologies France SAS	Consultancy fees (expense)		2,998,215
HCL Technologies S.A.C	Consultancy fees (expense)	399,856	2,257,411
HCL technologies Slovakia	Consultancy fees (expense)		5,669
HCL TECHNOLOGIES STARSHEMA KFT, Budapest	Consultancy fees (expense)		380,764
HCL Technologies Sweden 5750	Consultancy fees (expense)		577,223
HCL Technologies Limited Abu Dhabi	Services rendered (revenue)	29,170	-

The related parties' transactions described above resulted in the following balances:

	<i>31/12/2024</i>		<i>31/3/2024</i>	
	<i>Due from EGP</i>	<i>Due to EGP</i>	<i>Due from EGP</i>	<i>Due to EGP</i>
HCL Axon Solution Shanghai Co. Ltd - Shanghai Branch 7260		6,008,902	-	5,581,265
HCL Axon Technologies (Shanghai) Co. Ltd - Guangzhou Branch 7190			-	3,306,638
HCL Technologies UK Limited		931,809		879,612
HCL Technologies Limited *	5,928,080	15,201,323	5,379,196	35,700,056
HCL Tech Ltd – IOMC			-	3,294,451
HCL Technologies Germany GmbH	1,641,196	12,878,395	782,386	12,405,386
HCL AMERICA INC.		6,238,426	-	2,030,677
HCL Latin America Holding, LLC, Costa Rica		5,553,430	425,817	5,253,286
HCL POLAND SP.Z O.O.			-	197,745
HCL Technologies B.V.		446,599	-	430,196
HCL Technologies Denmark ApS			-	260,814
HCL Ireland Information Systems Ltd		401,381	168,600	386,639
HCL Technologies Ltd Madurai			-	1,298,284
HCL Brazil Tecnologia da Informação EIRELI	367,950	197,543	367,950	7,753,129
HCL Technologies (Shanghai) Ltd. - Guoshoujing Branch 7400			-	647,469
HCL Indonesia			-	294,833
HCL AXON Malaysia SDN BHD		6,182,688	329,889	5,446,554
HCL Technologies S.A. Venezuela			-	3,369
HCL TECNOLOGIA LIMITED ISRAEL			-	390,996
filial Espanola De HCL Technologies, S.L	82,947		163,615	70,011
HCL TECHNOLOGIES CORPORATE SER *	8,613,637	45,353,451	4,419,573	
HCL Finland Oy		688,962	-	663,883
HCL Technologies Ltd Lucknow *			37,662,081	1,510,664
HCL Technologies Limited, Vijayawada			-	1,218,676
HCL Hong Kong SAR			-	200,020
HCL ARGENTINA S.A	64,270		199,017	-
HCL Asia Pacific Pte. Ltd., Korea Branch			-	102,626
HCL Saudi Arabia LLC			-	120,139
HCL Technologies (PTY) Ltd. (Fy HCL Axon PTY Ltd.)	570,468		-	442,553
HCL Technologies Columbia S.A.S	117,574		140,736	1,468,360
HCL Technologies Limited NAGPUR			-	688,088
Telerox Marketing Inc **			-	4,202,626

HCL Technologies Egypt Ltd (L.L.C)

**NOTES TO THE FINANCIAL STATEMENTS**

31 December 2024

**8. RELATED PARTIES – Continued**

	31/12/2024		31/3/2024	
	Due from EGP	Due to EGP	Due from EGP	Due to EGP
Hcl Istanbul Bilisim Teknolojileri Ltd. Sti.		4,411,752	-	4,498,241
HCL Technologies Beijing Co., Ltd		5,219,965	-	4,875,847
HCL Technologies Mexico	98,857		-	1,549,143
HCL Technologies Middle East			-	1,374,032
HCL Technologies Vietnam Company Limited			58,819	
HCLTechnologies Chile SPA		354,476	243,851	275,978
HCL Technologies Lanka (PRIVATE ) LIMITED	428,516	5,272,190	428,516	4,896,984
HCL Technologies Philippines			-	401,049
HCL TECH Ltd BPO SERVICES		18,724,531	1,795,287	25,200,951
C3i Services &Technologies (Dalian) Co.,			-	415,186
HCL Australia Services PTY. Limited			-	43,159
HCL Axon Solutions(Shanghai) Co.Ltd Wuxi 7210			-	50,834
HCL CANADA INC (Fy HCL Axon Technologies Inc.)		8,876,023	-	8,760,180
HCL Singapore PTE LIMITED			-	3,249,426
HCL South Africa			-	235,033
HCL Tech Norway AS			-	737,847
HCL Tech. Belgium BVBA			-	342,174
HCL Technologies Costa Rica			-	7,249,968
HCL Technologies Ltd. Sucursal EM Portugal			-	1,509,862
HCL Technologies Middle EAST FZ LLC			-	1,480,978
HCL Technologies Sweden AB			-	1,035,414
HCL Vietnam Company Limited			-	1,234,557
HCL Technologies Romania S.R.L.			-	449,878
HCL Technologies Angola *	19,643,536		18,821,256	-
HCL Technologies Taiwan Limited			72,016	-
HCL Technologies Morocco			-	81,423
HCL Bermuda			507,445	-
HCL Technologies Italy S.P.A			453,457	-
HCL technologies Luxembourg		275,955	-	231,587
HCL Tech New Zealand			-	806
HCL Technologies France SAS			-	2,992,219
HCL TECHNOLOGIES LIMITED SWISS			-	495,825
HCL technologies Slovakia		8,745	-	8,424
HCL TECHNOLOGIES STARSHEMA KFT			-	380,740
HCL Technologies Sweden			-	901,016
HCL Axon Solution Shanghai Co.Ltd - Suzhou Branch 7710			-	377,455
HCL Technologies S.A.C			-	2,257,411
HCL Technologies Limited Abu Dhabi		29,170	-	-
	<b>37,586,201</b>	<b>143,226,550</b>	<b>72,419,508</b>	<b>173,842,672</b>

(\*) There is reverse of Impairment on trade group receivables with amount 1,792,405 at 31/12/2024.

(\*\*) There is a merge between Telerx Marketing and HCL America branches took place at 2024.

HCL Technologies Egypt Ltd (L.L.C)

**NOTES TO THE FINANCIAL STATEMENTS**

31 December 2024

**9. OTHER RECEIVABLES**

	<i>31/12/2024</i> <i>EGP</i>	<i>31/3/2024</i> <i>EGP</i>
Deposit - Financial Asset	272,014	57,592
Accrued revenue	43,501,522	12,032,110
Advances to suppliers	67,116	73,800
Withholding taxes – tax authorities	1,206,194	207,377
Deferred cost	-	3,103
Prepaid expenses	17,936,749	1,262,030
Tax authority- value-added taxes	1,482,785	-
	<u><b>64,466,380</b></u>	<u><b>13,636,012</b></u>

**10. CASH AND CASH EQUIVALENTS**

	<i>31/12/2024</i> <i>EGP</i>	<i>31/3/2024</i> <i>EGP</i>
Cash at Banks EGP	70,521,808	106,152,804
Cash at Banks USD	4,691,979	232,846
	<u><b>75,213,787</b></u>	<u><b>106,385,650</b></u>

**11. CAPITAL**

The Company’s capital amounted to EGP 4,210,790 divided over 421,079 quota of EGP 10 each.

The extraordinary general assembly held on 22 June 2017 decided to increase the Company’s capital by EGP 443,400 to reach EGP 4,654,190 divided over 465,419 quotas of a par value of EGP 10 as follows:

	<i>%</i>	<i>Number of</i> <i>quotas</i>	<i>31/12/2024</i> <i>L.E.</i>	<i>31/3/2024</i> <i>L.E.</i>
HCL Technologies UK Limited	99.99998	465,418	4,654,180	4,654,180
HCL EAS Limited	0.000023	1	10	10
	<u><b>100</b></u>	<u><b>465,419</b></u>	<u><b>4,654,190</b></u>	<u><b>4,654,190</b></u>

**12. ACCRUED EXPENSES AND OTHER PAYABLES**

	<i>31/12/2024</i> <i>EGP</i>	<i>31/3/2024</i> <i>EGP</i>
Accrued expenses	9,829,341	12,105,300
Deferred revenue	20,966,294	4,885,865
Tax authority- value-added taxes	-	1,045,599
Tax authority – withholding taxes	25,545,555	2,345,402
salaries and wages and employee benefits	13,192,227	3,524,550
Social comprehensive insurance	657,324	444,702
Advances From Customers	306,768	258,202
Payroll tax	3,588,698	365,855
Social insurance	426,971	593,166
	<u><b>74,513,178</b></u>	<u><b>25,568,641</b></u>

HCL Technologies Egypt Ltd (L.L.C)

**NOTES TO THE FINANCIAL STATEMENTS**

31 December 2024

**13. REVENUE**

	<i>31/12/2024</i> <i>EGP</i>	<i>31/3/2024</i> <i>EGP</i>
Sale of services	245,064,452	170,381,251
	<u>245,064,452</u>	<u>170,381,251</u>

**14. GENERAL AND ADMINISTRATIVE EXPENSES**

	<i>31/12/2024</i> <i>EGP</i>	<i>31/3/2024</i> <i>EGP</i>
Legal expenses	587,266	427,913
Professional fees	3,938,706	3,197,441
Bank charges	216,483	127,639
Telephone and Telex & IT Expense	300,685	337,693
Rent Office Premises	779,775	710,967
Equipment Rentals	2,586,669	2,322,526
Office Supplies	1,865,990	1,086,344
Other expense	6,860	160,310
Casual Technical staff services	-	2,688,338
Social comprehensive insurance	648,601	444,702
Taxis & Travel	624,071	24,262
Courier Charges	872,340	357,433
Computer consumable	-	190,455
Rates & Taxes	728,583	511,531
Computer Warranty	4,247,778	-
	<u>17,403,807</u>	<u>12,587,554</u>

**15. FINANCE INCOME (COSTS)**

	<i>31/12/2024</i> <i>EGP</i>	<i>31/3/2024</i> <i>EGP</i>
Foreign exchange Loss	(9,583,550)	(38,811,480)
Foreign exchange Gain	7,543,046	3,264,268
Interest income on customer Finance lease	1,951	16,897
	<u>(2,038,553)</u>	<u>(35,530,315)</u>

**16. COST OF REVENUES**

	<i>31/12/2024</i> <i>EGP</i>	<i>31/3/2024</i> <i>EGP</i>
Salaries	113,838,204	25,328,034
Consulting charges- group	65,482,495	44,401,919
Technical staff service and admin	19,219,549	18,697,695
Break fix charges	8,179,680	11,776,804
Cost of goods sold	-	5,175,710
Others	459,937	2,450,389
	<u>207,179,865</u>	<u>107,830,551</u>

HCL Technologies Egypt Ltd (L.L.C)

**NOTES TO THE FINANCIAL STATEMENTS**

31 December 2024

**17. EARNING PER QUOTA**

	<i>31/12/2024</i> <i>EGP</i>	<i>31/3/2024</i> <i>EGP</i>
<b>Profit for the period</b>	<u>12,897,037</u>	<u>4,522,678</u>
Weighted average numbers of quotas outstanding during the period	<u>465,419</u>	<u>465,419</u>
<b>Earnings per quota</b>	<u><b>27.71</b></u>	<u><b>9.72</b></u>

**18. TAX SITUATION**

- **Corporate Tax**  
Corporate tax inspection for FY 19-20 is open, No tax inspection took place for the rest of the years.
- **Salary Tax**  
Payroll tax inspection notice from inception till 31/3/2022.
- **Withholding Tax**  
Last tax inspection took place from inception up to 31 March, 2020 which is closed.
- **Stamp Tax**  
Stamp Tax inspection took place from inception up to 31 March, 2020.
- **Value added Tax**  
No tax inspection took place from inception up to 31 March, 2024.

**19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES****Overview**

The Company has exposure to the following risks from its use of financial instruments:

- a) Credit risk
- b) Market risk
- c) Liquidity risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The General Manager of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's senior management are responsible for developing and monitoring the risk management policies and report regularly to the General Manager on their activities.

**NOTES TO THE FINANCIAL STATEMENTS**

31 December 2024

**19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - *Continued***

The Company's current financial risk management framework is a combination of formally documented risk management policies in certain areas and informal risk management policies in other areas.

**a) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk principally from its receivables from customers, due from related parties, other receivables.

***Trade and notes receivable***

The customer credit risk is established by the Company's policies, procedures and controls relating to customer credit risk management. Credit quality of a customer is assessed based on extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis.

***Due from related parties***

Due from related parties relates to transactions arising in the normal course of business with minimal credit risk, with a maximum exposure equal to the carrying amount of these balances.

**b) 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, such as currency risk and interest rate risk, which will affect the Company's income. Financial instruments affected by market risk include interest-bearing loans and borrowings and deposits. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Company does not hold or issue derivative financial instruments.

***Exposure to 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 exposure to the risk of changes in market interest rates relates primarily to the Company's obligations with floating interest rates and interest-bearing time deposit

**NOTES TO THE FINANCIAL STATEMENTS**

31 December 2024

**19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - *Continued******Foreign currencies exchange rates risk***

Exchange rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in exchange rates, which will affect the Company's income. The objective of exchange rate risk management is to manage and control exchange rate risk exposures within acceptable parameters, while optimizing the return. Financial instruments affected by exchange rate risk include cash and cash equivalents, Debtor balances, other financial assets, trade and other payables and other financial liabilities.

**c) Liquidity risk**

The cash flows, funding requirements and liquidity of the Company are monitored by local Company management. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank borrowings. The Company manages liquidity risk by maintaining adequate reserves and borrowing facilities, by continuously monitoring forecasted and actual cash flows and matching maturity profiles of financial assets and liabilities.

The Company currently has sufficient the cash on demand to meet expected operational expenses, including the servicing the financial obligations.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

**Financial liabilities**

	<i>Less than 3 Months EGP</i>	<i>More than 3 months EGP</i>	<i>Total EGP</i>
<b><u>31/12/2024</u></b>			
Due to related parties	51,228,172	91,998,378	143,226,550
Accrued expense and payables	96,813,262	-	96,813,262
<b>Total undiscounted financial liabilities</b>	<b><u>148,041,434</u></b>	<b><u>91,998,378</u></b>	<b><u>240,039,812</u></b>
<b><u>31/3/2024</u></b>			
Due to related parties	16,841,256	157,001,416	173,842,672
Accrued expense and payables	42,888,855	-	42,888,855
<b>Total undiscounted financial liabilities</b>	<b><u>59,730,113</u></b>	<b><u>157,001,416</u></b>	<b><u>216,731,527</u></b>

**20. FAIR VALUES OF FINANCIAL INSTRUMENTS**

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of cash at bank, accounts receivable and due from related parties and other receivables. Financial liabilities consist of due to related parties, income taxes payable and accrued expenses and other payables.

The fair value of financial instruments is not materially different from their carrying values.

HCL Technologies Egypt Ltd (L.L.C)

**NOTES TO THE FINANCIAL STATEMENTS**

31 December 2024

**21. NEW EDITIONS AND AMENDMENTS TO EGYPTIAN ACCOUNTING STANDARDS**

- a) On 3 March 2024, the prime ministers decree No. (636) of 2024 was issued amending some other provisions of the Egyptian Accounting Standards, the following is a summary of the most significant amendments:

<b>New or reissued standards</b>	<b>Summary of the most significant amendments</b>	<b>Potential impact on the financial statements</b>	<b>Effective date</b>
<b>Egyptian Accounting Standard No. (34) amended 2024 "Investment Property"</b>	The Egyptian Accounting Standard No. (34) "Investment Property" was reissued in 2024, to amend the fair value application mechanism by the mandate of recognizing the gain or loss arising from the change in the fair value of the investment property in the statement of profit or loss for the period in which the change arises or through the statement of other comprehensive income for one time in the life of the asset or investment, taking into account paragraphs (35a) and (35b) of the standard.	The Company doesn't have this type of asset. Accordingly, this change doesn't have an impact on the financial statement of the Company.	The amendments to the amendment of addition of the option to use the fair value model apply to financial periods commencing on or after <b>January 1, 2024</b> with early adaption allowed retrospectively by recognizing the cumulative impact of the application of the fair value model initially by adding it to the opening balance of retained earnings/losses as at the beginning of the financial period in which the Company applies this model for the first time.
<b>Egyptian Accounting Standard No. (17) amended 2024 "Separate Financial Statements"</b>	Egyptian Accounting Standard No. (17) "Separate Financial Statements" was reissued in 2024. adding the option to use the equity method as described in Egyptian Accounting Standard No. (18) "Investments in Sister Companies" when accounting for investments in associates, sister companies and jointly controlled companies,	The change doesn't have an impact on the Separate financial statement of the Company.	The amendments shall apply to financial periods commencing on or after <b>January 1, 2024</b> with early adaption allowed retrospectively by recognizing the cumulative impact of the application of the equity method by adding it to the opening balance of retained earnings/losses as at the beginning of the financial period in which the Company applies this method for the first time.
<b>Egyptian Accounting Standard No. (13) amended 2024 "Effects of changes in foreign exchange rates"</b>	This standard was reissued in 2024. to add how to determine the spot exchange rate when exchange between two currencies is difficult and what are the conditions that must be met for determining the spot exchange rate at the measurement date.	The change doesn't have an impact on the financial statement of the Company.	Amendments regarding the determination of spot exchange rate when it is difficult to exchange between two currencies is applicable to financial periods commencing on or after <b>January 1, 2024</b> with early adaption

**NOTES TO THE FINANCIAL STATEMENTS**

31 December 2024

**21. NEW EDITIONS AND AMENDMENTS TO EGYPTIAN ACCOUNTING STANDARDS - *Continued***

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
	<p>An appendix to the application guidelines has been added, which includes guidelines for assessing whether a currency is exchangeable for another currency, and guidelines for applying the required treatments in case of non-exchangeability.</p>		<p>allowed. If the entity' made an early application, this has to be disclosed. Entity shall not be modifying comparative information and instead should:</p> <ul style="list-style-type: none"> <li>• When the entity reports foreign currency transactions to its functional currency, any effect of the initial application is recognized as an adjustment to the opening balance retained earnings/losses on the date of initial application.</li> <li>• When an entity uses presentation currency different than its functional currency or translates the results and balances of foreign operation, the resulting differences and financial position of a foreign transaction, any effect of the initial application is recognized as an adjustment to the cumulative translation adjustment reserve accumulated in equity section on the date of initial application.</li> </ul>
<p><b>Accounting Interpretation No. (2) "Carbon Reduction Certificates"</b></p>	<p>Carbon Credits Certificates: Are financial instruments subject to trading that represent units for reducing greenhouse gas emissions. Each unit represents one ton of equivalent carbon dioxide emissions, and are issued in favor of the reduction project</p>	<p>The management is currently studying the financial implications of applying the accounting interpretation to the Company's financial statements.</p>	<p>The application starts on or after the first of January 2025, early adaption is allowed.</p>

HCL Technologies Egypt Ltd (L.L.C)

**NOTES TO THE FINANCIAL STATEMENTS**

31 December 2024

**21. NEW EDITIONS AND AMENDMENTS TO EGYPTIAN ACCOUNTING STANDARDS - *Continued***

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
	<p>developer (owner/non-owner), after approval and verification in accordance with internationally recognized standards and methodologies for reducing carbon emissions, carried out by verification and certification bodies, whether local or international, registered in the list prepared by the Financial Regulatory Authority ‘FRA’ for this purpose. Companies can use Carbon Credits Certificates to meet voluntary emissions reduction targets to achieve carbon trading or other targets, which are traded on the Voluntary Carbon Market ‘VCM’. The interpretation deals with the accounting treatment of different cases in terms of initial measurement, subsequent measurement, exclusion from the books, and necessary disclosures.</p>		

- b) On 23 May 2024, the prime ministers decree No. (1711) of 2024 adding Appendix (E), to Egyptian Accounting Standard 13 “Effects of Changes in Foreign Exchange Rates”, which stipulated a special accounting treatment to deal with the effects resulting from adjusting foreign exchange rates.
- c) Effective on 23 October 2024, a new accounting standard, No. 51, "Financial Statements in Hyperinflationary Economies," was added to the Egyptian Accounting Standards by Prime Ministerial Decree No. 3527 of 2024.

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
<p><b>Egyptian Accounting Standard No. (51) "Financial Statements in Hyperinflationary Economies,"</b></p>	<ul style="list-style-type: none"> <li>- This standard is designed to address the accounting challenges posed by hyperinflationary economies for any entity or establishment whose functional currency is the currency of an economy experiencing hyperinflation.</li> <li>- The primary objective of Egyptian Accounting Standard No. 51 is to adjust financial statements to reflect the current purchasing power of the local</li> </ul>	<p>The change doesn't have an impact on the financial statement of the Company.</p>	<p>The standard becomes effective on 24 October 2024. However, the Prime Minister or their authorized representative will issue a decision specifying the beginning and end dates of the financial period(s) during</p>

**NOTES TO THE FINANCIAL STATEMENTS**

31 December 2024

**21. NEW EDITIONS AND AMENDMENTS TO EGYPTIAN ACCOUNTING STANDARDS - *Continued***

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
	<p>currency, thereby providing a more accurate, objective, and fair view of the entity's financial position and performance as of the date of initial application. This standard is applicable to financial statements prepared in the currency of an economy experiencing hyperinflation, whether those statements are standalone or consolidated, and includes the parent company and its subsidiaries operating in the same economic environment.</p> <p>The standard mandates the use of a general price index to measure changes in the purchasing power of the local currency. Assets, liabilities, expenses, and income must be adjusted in accordance with this index. The Head of the Financial Regulatory Authority, in coordination with the Central Bank of Egypt and the Ministry of Finance, will issue a decision determining the appropriate index to be used when applying this standard to the local currency.</p>		which this standard must be applied.

**22. SUBSEQUENT EVENT**

The Monetary Policy Committee of the Central Bank of Egypt (CBE) decided, in its meeting on Thursday, April 17, 2025, to cut the overnight deposit and lending rates, and the rate of the central bank's main operation, by 225 basis points to 25.00%, 26.00%, and 25.50%, respectively. It also decided to cut the credit and discount rates by 225 basis points to 25.50%.

The Monetary Policy Committee of the Central Bank of Egypt (CBE) decided in its meeting on Thursday, 22 May 2025, to cut the overnight deposit and lending rates, and the rate of the central bank's main operation by 100 basis points to 24.00%, 25.00% and 24.50% respectively. It also decided to cut the credit and discount rates by 100 basis points to 24.50%.