



HCL Technologies Solution GmbH, Zurich

Financial Statements 2024



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Report of the Statutory Auditor to the Partners' Meeting of HCL Technologies Solution GmbH, Zurich

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of HCL Technologies Solution GmbH (the Company), which comprise the balance sheet as at 31 December 2024, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements comply with Swiss law and the Company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Management's Responsibilities for the Financial Statements

The Management is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH 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 Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism 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 an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Managements' use of the going concern basis of accounting 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.

We communicate with the Management 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.

Report on Other Legal and Regulatory Requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Management.

Based on our audit in accordance with Art. 818 para. 1 CO in conjunction with Art. 728a para. 1 item 2 CO, we confirm that the proposal of the Management complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

KPMG AG

Caroline Widenmayer

Michael Forrer

Zurich, 29 April 2025

Enclosures:

- Financial statements (balance sheet, statement of profit and loss and notes)
- Proposed appropriation of available earnings

HCL Technologies Solution GmbH

Financial Statements

For the year ended 31 December 2024

HCL Technologies Solution GmbH
Balance Sheet as at 31 December 2024

	Note	Dec'24 CHF	Dec'23 CHF
ASSETS			
Current assets			
Cash and cash equivalents		4,915,036	11,818,436
Trade accounts receivable	2.1	17,883,607	14,540,900
Inventories and non-invoiced services	2.2	3,349,774	1,532,514
Prepaid expenses and accrued income	2.3	522,369	613,412
Financial asset	2.4	842,404	975,550
Other current asset	2.5	5,706,074	7,705,768
Total current assets		33,219,264	37,186,580
Non-current assets			
Financial asset	2.6	240,664	569,607
Property, plant and equipment	2.7	499,649	528
Intangible Assets	2.8	2,391	4,426
Other non-current asset	2.9	2,464,242	8,118,703
Total non-current assets		3,206,946	8,693,264
TOTAL ASSETS		36,426,209	45,879,844
LIABILITIES AND SHAREHOLDERS' EQUITY			
Short-term liabilities			
Trade accounts payable	2.10	4,509,817	11,981,349
Short-term interest-bearing liabilities	2.11	4,534,595	18,547,151
Other short-term liabilities	2.12	3,938,656	2,700,008
Accrued expenses and deferred income	2.13	647,694	1,114,216
Short-term provisions		14,819,391	4,276,234
Total short-term liabilities		28,450,153	38,618,959
Long-term liabilities			
Other long-term liabilities	2.14	667,224	679,680
Total long-term liabilities		667,224	679,680
Shareholders' equity			
Share capital		120,000	120,000
Legal retained earnings		60,000	-
Available earnings:			
- Profit brought forward		6,401,205	6,387,711
- Profit or loss for the year		727,627	73,494
Total shareholders' equity		7,308,832	6,581,205
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		36,426,209	45,879,844

HCL Technologies Solution GmbH
Statement of Profit and Loss for the year ended 31 December 2024

	Note	1 January 2024 to 31 December 2024 CHF	1 April 2023 to 31 December 2023 CHF
Revenue from sale of goods and services	2.15	85,071,970	53,672,163
Change in inventory of finished goods and work in progress	2.16	(144,246)	82,855
Total Operating income		84,927,724	53,755,018
Consultancy costs		(76,156,358)	(49,207,125)
Personnel expenses		(204,123)	(190,686)
Cost of Goods sold		(2,073,170)	(1,818,364)
Other operating expenses	2.17	(5,135,704)	(2,360,243)
Depreciation		(13,688)	(1,317)
Operating result		1,344,681	177,283
Financial income		2,147,496	2,687,000
Financial expenses		(2,570,757)	(2,755,446)
Profit for the period before taxes		921,420	108,838
Direct taxes		(193,793)	(35,343)
Profit for the period		727,627	73,494

ORGANIZATION AND NATURE OF OPERATIONS

HCL Technologies Solution GmbH (hereinafter referred to as 'the 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 2 May 2002 in Zurich, having its registered office at Kirchgasse 24, 8024 Zurich, Switzerland.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation:

The Financial Statements of the Company have been prepared in accordance with Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations). Where not prescribed by law, the significant accounting and valuation principles applied are described below. It should be noted that to ensure the company's going concern, the company may create or release hidden reserves. The company is domiciled in Zurich, Switzerland.

The Company has a net current assets position as at 31 December 2024 where its current assets exceed its current liabilities by CHF 4,769 thousand. However, the Company has a positive net worth as at 31 December 2024 and has earned profits during the current year and earlier years. Further, based on HCL Technologies Limited, the ultimate holding company's commitment to provide continued financial and operational support for a period of not less than 12 months from the date of the financial statements, management believes that the company would be able to continue its business operations and meet its liquidity requirements for next 12 months. Accordingly, these financial statements have been prepared on a going concern basis.

The functional currency of the Company is Swiss franc (CHF).

(b) Use of estimates and judgements

The preparation of Financial Statements in conformity with Swiss Law requires the management to make estimates and judgements that affect the reported amounts of assets, liabilities, revenue and expenses that are reported and disclosed in the Financial Statements and accompanying notes. These estimates are based on the management's best knowledge of current events, historical experience, actions that the Company may undertake in the future and on various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from those estimates. Changes in estimates are reflected in the Financial Statements in the year in which the changes are made.

(c) Foreign currency and translation

Transactions in foreign currencies are initially recorded by company at reporting currency spot rates at the date the transaction first qualifies for recognition. Foreign currency denominated monetary assets and liabilities are translated to the reporting currency at exchange rates in effect at the Balance Sheet date. Exchange differences arising on settlement or translation of monetary items are recognized in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of initial transaction.

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

(d) Revenue recognition

Contracts involving provision of services and material

Revenue is recognized when, or as, control of a promised service or good transfers to a customer, in an amount that reflects the consideration to which the company expects to be entitled in exchange for transferring those products or services. A contract is accounted when it is legally enforceable through executory contracts, approval and commitment from all parties, the rights of the parties are identified, payment terms are defined, the contract has commercial substance and collectability of consideration is probable.

Time-and-material / Volume based / Transaction based contracts

Revenue with respect to time-and-material, volume based and transaction based contracts is recognized as the related services are performed through efforts expended, volume serviced transactions are processed etc. that correspond with value transferred to customer till date which is related to the right to invoice for services performed.

Fixed Price contracts

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

Revenue related to other fixed price contracts providing maintenance and support services, are recognized 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 as the service is performed based on the cost-to-cost method described above.

In arrangements involving sharing of customer revenues, revenue is recognized when the right to receive is established.

Revenue from product sales are shown net of applicable taxes, discounts and allowances. Revenue related to product with installation services that are critical to the product is recognized when installation of product at customer site is completed and accepted by the customer. If the revenue for a delivered item is not recognized for non-receipt of acceptance from the customer, the cost of the delivered item continues to be in inventory.

Proprietary Software Products

Revenue from distinct proprietary perpetual and term license software is recognized at a point in time at the inception of the arrangement when control transfers to the client. Revenue from proprietary term license software is recognized at a point in time for the committed term of the contract. In case of renewals of proprietary term licenses with existing customers, revenue from term license is recognized at a point in time when the renewal is agreed on signing of contracts. Revenue from support and subscription (S&S) is recognized over the contract term on a straight-line basis as the Company is providing a service of standing ready to provide support, when-and-if needed, and is providing unspecified software upgrades on a when-and-if available basis over the contract term. In case software are bundled of 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 rateably over the contractual period that the support services are provided. Revenue from these proprietary software products is classified under sale of services.

HCL Technologies Solution GmbH
Notes to financial statements for the period ended 31 December 2024

Interest income

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

(e) 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 on arriving at the purchase price.

All other 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.

Property, plant and equipment under construction and cost of assets not ready for use at 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 live of asset for computing depreciation is as follows:

<u>Asset description</u>	<u>Asset life (in years)</u>
Computers	5

(f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Subsequently, 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 intangible assets are amortized over the estimated useful life of the assets as mentioned below:

<u>Asset description</u>	<u>Asset life (in years)</u>
Software	3

(g) Borrowing costs

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

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(h) Inventory

Stock in trade, stores and spares are valued at the lower of the cost or net realizable value. 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 identifying 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.

(i) Provision 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.

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.

(j) Retirement and other employee benefits

- i. Compensated absences: The employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating in nature. The expense on accumulating and non-accumulating compensated absences is recognized in the Statement of Profit and Loss in the period in which the absences occur.
- ii. State plans: The contribution to State plans, a defined contribution plan namely Employees' Pension Scheme for the Company are charged to the Statement of Profit and Loss.

(k) Leases

A lease is a contract that contains right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessor

Leases in which company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the year in which they are earned or contingency is resolved.

Leases in which company transfers substantially all the risk and benefits of ownership of the asset are classified as finance leases. Assets given under finance lease are recognized as a receivable at an amount equal to the present value of lease receivables.

After initial recognition, company apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance leases. The interest income is recognized in the Statement of Profit and Loss. Initial direct costs such as legal cost, brokerage cost etc. are recognized immediately in the Statement of Profit and Loss.

When arrangements include multiple performance obligations, company allocates the consideration in the contract between the lease components and the non-lease components on a relative standalone selling price basis.

2. Information on balance sheet and income statement items

2.1 Trade accounts receivable	Dec 2024 CHF	Dec 2023 CHF
Receivable from Third Parties	17,578,759	13,714,508
Receivable from Group Companies		
- From share holders	12,573	497,769
- From other group companies	292,275	328,623
	17,883,607	14,540,900

2.2 Inventories and non-invoiced services	Dec 2024 CHF	Dec 2023 CHF
Inventory:		
Trading material	35,135	179,382
Non-invoiced services	3,314,639	1,353,132
	3,349,774	1,532,514

2.3 Prepaid expenses and accrued income	Dec 2024 CHF	Dec 2023 CHF
Prepaid expenses	522,369	613,412
	522,369	613,412

2.4 Financial asset	Dec 2024 CHF	Dec 2023 CHF
Contract assets	673,311	608,775
Finance lease receivables	169,093	366,775
	842,404	975,550

2.5 Other current asset	Dec 2024 CHF	Dec 2023 CHF
Deferred cost	5,637,204	7,670,859
Advance	421	2,213
Others	68,449	32,696
	5,706,074	7,705,768

2.6 Financial asset	Dec 2024 CHF	Dec 2023 CHF
Finance lease receivable	240,664	569,607
	240,664	569,607

2.7 Property, plant and equipment	Dec 2024 CHF	Dec 2023 CHF
Computers	473,749	1,047
Accumulated depreciation - Computers	(11,979)	(519)
	461,771	528
Furniture And Fixture	38,072	-
Accumulated Depreciation - Furniture and fixture	(194)	-
	37,878	-
	499,649	528

2.8 Intangible Assets	Dec 2024 CHF	Dec 2023 CHF
Software	9,626	9,626
Accumulated depreciation - Software	(7,235)	(5,200)
	2,391	4,426

2.9 Other non-current asset	Dec 2024 CHF	Dec 2023 CHF
Deferred cost	2,398,623	8,025,168
Prepaid expense	22,977	20,707
Others	42,642	72,828
	2,464,242	8,118,703

HCL Technologies Solution GmbH
Notes to financial statements for the year ended 31 December 2024

2.10 Trade accounts payable	Dec 2024 CHF	Dec 2023 CHF
Accounts payable due to Third Parties	366,052	311,485
Accounts payable due to Group Companies		
- From share holders	1,994,229	7,533,595
- From other group companies	2,149,536	4,136,269
	4,509,817	11,981,349

2.11 Short-term interest-bearing liabilities	Dec 2024 CHF	Dec 2023 CHF
Bank overdraft	-	4,932,509
Short-term loans Group Companies	4,534,595	13,614,642
	4,534,595	18,547,151

2.12 Other short-term liabilities	Dec 2024 CHF	Dec 2023 CHF
Withholding and other taxes payable	1,786,546	1,387,291
Liabilities for current tax (net)	424,633	350,326
Advance received	-	-
Interest payable Group Companies	74,349	149,645
Short-term employee liabilities	16,102	36,633
Liabilities due to pension fund	18,959	19,515
Other payables	1,618,067	756,598
	3,938,656	2,700,008

2.13 Accrued expenses and deferred income	Dec 2024 CHF	Dec 2023 CHF
Deferred revenue	647,694	1,114,216
	647,694	1,114,216

2.14 Other long-term liabilities	Dec 2024 CHF	Dec 2023 CHF
Capital lease obligation	469,712	597,904
Deferred revenue	154,870	8,947
Others	42,642	72,829
	667,224	679,680

HCL Technologies Solution GmbH
Notes to financial statements for the year ended 31 December 2024

2.15 Revenue from sale of goods and services	1 January 2024 - 31 December 2024 CHF	1 April 2023 - 31 December 2023 CHF
Revenue from sale of goods	1,339,860	456,143
Revenue from sale of services	83,732,110	53,216,020
	85,071,970	53,672,163

2.16 Change in inventory of finished goods and work in progress	1 January 2024 - 31 December 2024 CHF	1 April 2023 - 31 December 2023 CHF
Opening stock	179,382	96,527
Less : Closing stock	35,136	179,382
	144,246	(82,855)

2.17 Other operating expenses	1 January 2024 - 31 December 2024 CHF	1 April 2023 - 31 December 2023 CHF
Outsourcing cost	4,560,831	1,986,133
Marketing cost Group Companies	-	286,497
Audit Fees	40,080	37,000
General and admin expenses	372,031	50,601
Miscellaneous expenses	162,762	12
	5,135,704	2,360,243

3. Other information

3.1 Full-time equivalents

The annual average number of full-time equivalents for the reporting year, as well as the previous year, is lower than 10.

Proposed Appropriation of Available Earnings

	2024
	CHF
Retained Earnings brought forward	6,401,205
Net Profit or loss for the year	727,627
Available earnings	<u>7,128,832</u>
 The Board of director proposes to the general meeting of shareholders the following appropriation of available earnings	
Payment of a dividend in the amount of	-
Transfer of general legal retained earnings	-
To be carried forward	<u><u>7,128,832</u></u>