

## AUDITOR'S REPORT

## TRANSLATION

### To the Annual General Meeting of HCL Technologies Finland Oy

We have audited the accounting records, the financial statements, and the administration of HCL Technologies Finland Oy for the year ended on 31 March, 2016. The financial statements comprise the balance sheet, the income statement and notes to the financial statements.

#### **The responsibility of the Board of Directors**

The Board of Directors are responsible for the preparation and fair presentation of the financial statements in accordance with the laws and regulations governing the preparation of the financial statements in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances and shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

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

Our responsibility is to perform an audit in accordance with good auditing practice in Finland, and to express an opinion on these financial statements based on our audit. Good auditing practice requires 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 and whether the members of the Board of Directors have complied with the Limited Liability Companies Act.

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. 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.

The audit was performed in accordance with good auditing practice in Finland. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Opinion**

In our opinion, the financial statements give a true and fair view of the financial performance and financial position of the company in accordance with the laws and regulations governing the preparation of the financial statements in Finland.

Helsinki 8.8.2016

Ernst & Young Oy  
Accountant Firm

Tuomas Rahkamaa  
Authorized Public Accountant

HCL Technologies Finland Oy  
Keilaranta 6  
02150 Espoo  
2589763-5

# **HCL Technologies Finland Oy**

## **FINANCIAL STATEMENT**

**1.7.2015–31.3.2016**

Financial Statement must be stored at least until 31.12.2026  
Vouchers of the period must be stored until 31.12.2022

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## Profit and Loss Statement

	1.7.2015–31.3.2016		1.7.2014–30.6.2015	
<b>TURNOVER</b>	<b>4 965 922,71</b>		<b>2 427 301,09</b>	
Raw materials and services				
Purchase of raw material	7 377,12		0,00	
External services	<u>2 362 580,63</u>	<b>2 369 957,75</b>	<u>965 769,80</u>	<b>965 769,80</b>
Personnel expenses				
Wages and salaries	1 522 269,93		583 249,07	
Other personnel expenses				
Pension expenses	202 626,87		86 686,43	
Other personnel expenses	<u>90 900,00</u>	1 815 796,80	<u>29 766,75</u>	699 702,25
Other operating expenses		428 517,77		80 404,58
<b>OPERATING PROFIT (LOSS)</b>		<b>351 650,39</b>		<b>681 424,46</b>
Financial income and expenses				
From others	34 204,91		57,73	
Interest expenses and other financial expenses				
To others (–)	<u>-11 338,87</u>	22 866,04	<u>-2 101,57</u>	-2 043,84
<b>PROFIT (LOSS) BEFORE EXTRAORDINARY ITEMS</b>		<b>374 516,43</b>		<b>679 380,62</b>
<b>PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES</b>		<b>374 516,43</b>		<b>679 380,62</b>
Income taxes				
Deferred taxes	-74 921,29	-74 921,29	-134 636,90	-134 636,90
<b>PROFIT (LOSS) FOR THE FINANCIAL YEAR</b>		<b><u>299 595,14</u></b>		<b><u>544 743,72</u></b>

## Balance Sheet

	31.3.2016		30.6.2015	
<b>Assets</b>				
<b>CURRENT ASSETS</b>				
Short-term receivables				
Trade receivables	330 694,63		0,00	
Receivables from group companies	4 251 902,98		2 255 440,00	
Other receivables	1 568 633,39		32 100,34	
Prepaid expenses and accrued income	408 319,06	6 559 550,06	605 547,57	2 893 087,91
Cash in hand and at banks		210 579,41		27 196,11
<b>Current assets total</b>		<b>6 770 129,47</b>		<b>2 920 284,02</b>
<b>Assets total</b>		<b>6 770 129,47</b>		<b>2 920 284,02</b>

## Equity and liabilities

### SHAREHOLDERS' EQUITY

Share capital				
Share capital	100 000,00		100 000,00	
Retained earnings (loss)	538 547,58		-6 196,14	
Profit (loss) for financial year	299 595,14	938 142,72	544 743,72	638 547,58
<b>Shareholders' equity total</b>		<b>938 142,72</b>		<b>638 547,58</b>

### LIABILITIES

Long-term liabilities				
Long-term accruals	6061,41	6 061,41	0,00	0,00
Short-term liabilities				
Trade payables	164,18		1 849,66	
Amount owed to group companies	4 106 859,71		504 184,44	
Other liabilities	4 406,18		556 025,06	
Accrued expenses and prepaid income	1 714 495,27	5 825 925,34	1 219 677,28	2 281 736,44
<b>Liabilities total</b>		<b>5 831 986,75</b>		<b>2 281 736,44</b>
<b>Equity and liabilities total</b>		<b>6 770 129,47</b>		<b>2 920 284,02</b>

Fiscal year 2016 was only 9 months, it is not comparable with year 2015.

## Statement of Cash Flows

	1.7.2015–31.3.2016	1.7.2014–30.6.2015
<b>Cash flows from operating activities</b>		
Operating profit (loss)	351 650,39	681 424,46
Adjustment for:		
Depreciation according to plan	0,00	0,00
Operating profit before working capital changes	<u>351 650,39</u>	<u>681 424,46</u>
Working capital changes:		
Increase(-)/decrease(+) in short-term operating receivables	-3 631 590,85	-2 893 087,91
Increase(+)/decrease(-) in short-term operating payables	<u>3 509 317,60</u>	<u>2 276 443,80</u>
Cash generated from operations	229 377,14	64 780,35
Interest paid	-11 338,87	-2 101,57
Interest received	34 204,91	57,73
Dividends and other change in capital	0,00	0,00
Income taxes paid	<u>-74 921,29</u>	<u>-134 636,90</u>
Cash flow before extraordinary items	177 321,89	-71 900,39
<b>Net cash from operating activities (A)</b>	<b><u>177 321,89</u></b>	<b><u>-71 900,39</u></b>
<b>Cash flows from investing activities:</b>		
Purchase of tangible and intangible assets	0,00	0,00
Loans granted	0,00	0,00
<b>Net cash used in investing activities (B)</b>	<b><u>0,00</u></b>	<b><u>0,00</u></b>
<b>Cash flows from financing activities:</b>		
Change in long-term liabilities	6 061,41	0,00
<b>Net cash used in financing activities (C)</b>	<b><u>6 061,41</u></b>	<b><u>0,00</u></b>
<b>Net increase/decrease in cash and cash equivalents (A+B+C)</b>	<b>183 383,30</b>	<b>-71 900,39</b>
Cash in hand and at banks at the beginning of the period	27 196,11	99 096,50
<b>Cash in hand and at banks at the end of the period</b>	<b>210 579,41</b>	<b>27 196,11</b>

## NOTES TO THE FINANCIAL STATEMENT

### PRINCIPLES FOR DRAWING UP THE FINANCIAL STATEMENT

Holding Company of HCL Technologies Finland Oy is HCL Technologies UK Ltd and ultimate holding company is HCL Technologies Ltd, Delhi India.  
HCL Technologies Finland Oy's address is Keilaranta 6, 02150 Espoo.  
Consolidated Financial Statement is available at HCL Technologies Ltd, 806, Siddharth, 96 Nehru Place, New Delhi-110019, India, [www.HCL.com](http://www.HCL.com).

#### Accounting principles and methods

Trade receivables in current receivables are valued to their nominal value or to a lower anticipated realizable value. Liabilities are valued to their nominal value or to a higher value.

#### Currency and Foreign currency translation

Currency used in the Financial statements is EURO.  
Transactions in foreign currencies are recorded at the rates of exchange prevailing at the dates of the individual transactions.

#### Comparability between the closed period and the earlier period

Accounting periods 2015 and 2016 are not comparable as the period of 2016 was exceptionally 9 months, 1.7.2015 - 31.3.2016. Company's new normal Fiscal year is 1.4. - 31.3.

### NOTES TO THE PROFIT AND LOSS STATEMENT

#### PERSONNEL

##### Average number of personnel during the financial period

	2016	2015
Employees	<u>26</u>	<u>17</u>
	<u>26</u>	<u>17</u>

#### AUDITORS' FEES

	2016	2015
Audit fees	<u>1 500,00</u>	<u>1 500,00</u>
	<u>1 500,00</u>	<u>1 500,00</u>

#### DISTRIBUTION OF TURNOVER BY FIELDS AND GEOGRAPHICAL MARKET AREAS

	2016	2015
America	162 462,00	168 636,20
Europe	4 586 359,00	2 255 378,90
Asia and the Pacific Area	<u>217 102,00</u>	<u>3 285,99</u>
	<u>4 965 923,00</u>	<u>2 427 301,09</u>

<b>SHAREHOLDERS' EQUITY</b>	<b>2016</b>	<b>2015</b>
Share capital 1.7.	<u>100 000,00</u>	<u>100 000,00</u>
<b>Share capital at end of period</b>	<b>100 000,00</b>	<b>100 000,00</b>
Retained earnings 1.7.	<u>538 547,58</u>	<u>-6 196,14</u>
<b>Retained earnings at end of period</b>	<b>538 547,58</b>	<b>-6 196,14</b>
Profit (Loss) of the period	299 595,14	544 743,72
<b>Profit (Loss) of the period</b>	<b>299 595,14</b>	<b>544 743,72</b>
<b>Shareholders' equity</b>	<b><u>938 142,72</u></b>	<b><u>638 547,58</u></b>

**CALCULATION OF THE DISTRIBUTABLE PROFIT ACCORDING TO THE LAW OF LIMITED LIABILITY COMPANIES § 13:5**

	<b>2016</b>	<b>2015</b>
Retained earnings	538 547,58	-6 196,14
Profit (loss) for the financial year	<u>299 595,14</u>	<u>544 743,72</u>
<b>Distributable equity</b>	<b>838 142,72</b>	<b>538 547,58</b>

The funds to share a profit are 838 142 euros.

**NOTES TO THE ASSETS**

<b>Receivables from group companies</b>	<b>2016</b>	<b>2015</b>
Amounts owed by group companies	<u>4 786 211,52</u>	<u>2 255 440,00</u>
<b>Receivables from group companies</b>	<b><u>4 786 211,52</u></b>	<b><u>2 255 440,00</u></b>
<b>Prepaid expenses and accrued income</b>	<b>2016</b>	<b>2015</b>
Other prepaid expenses	408 319,06	35 226,53
Other prepayments and accrued expenses	<u>0,00</u>	<u>570 321,04</u>
<b>Prepaid expenses and accrued income</b>	<b><u>408 319,06</u></b>	<b><u>605 547,57</u></b>

**NOTES TO THE LIABILITIES**

<b>Amount owed to group companies</b>	<b>2016</b>	<b>2015</b>
Trade payables	1 194 184,30	3 568,00
Other liabilities	<u>2 912 675,41</u>	<u>500 616,44</u>
<b>Amount owed to group companies</b>	<b><u>4 106 859,71</u></b>	<b><u>504 184,44</u></b>
<b>Accrued expenses and prepaid income</b>	<b>2016</b>	<b>2015</b>
Salary liabilities	330 889,56	84 782,59
Income taxes	29 921,02	137 046,43
Other accrued expenses and prepaid income	<u>1 353 684,69</u>	<u>997 848,26</u>
<b>Accrued expenses and prepaid income</b>	<b><u>1 714 495,27</u></b>	<b><u>1 219 677,28</u></b>

### Signatures of the Financial Statement

Egham 08/08/2016

Shiv Walia  
Shiv Walia

### Auditors' Report

Auditors' Report has been issued today.

Helsinki 8/8 2016

Ernst & Young Oy

Tuomas Rahkamaa  
Tuomas Rahkamaa  
APA

## List of accounting journals, type of vouchers and way of storage

General Ledger	electronic files
Journal	electronic files
Memorandum	electronic files

## **Annual report**

### **Significant events during Financial Year and after period end**

HCL Technologies Finland OY recorded revenue of 5 MEUR, registering an increase in revenue of 173% annualized during 9 months over the previous year (2,4 MEUR). Increase can be explained by new IT contracts. HCL Technologies Finland OY is in IT-consulting business.

### **Estimation of future development of business**

HCL Technologies Finland OY is estimating that revenue will increase during next financial year due to contracts, which have been agreed earlier. Business development depends on new contracts and there are normal business risks involved.

### **R&D scope**

There are no significant R&D-activities in Finland