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BDO Magyarország
Könyvvizsgáló Kft.
1103 Budapest, Kőér utca 2/a
Laurus Irodaházak C épület
1476 Budapest, Pf.138.

Independent Auditor's Report

to the Quotaholder of HCL Hungary Kft.

Opinion

We have audited the simplified financial statements of HCL Hungary Kft. (the „Company”) for the year 2020 which comprise the balance sheet as at March 31, 2020 (which shows an equal amount of total assets and total liabilities of HUF 967 874 thousands and an after-tax loss for the year of HUF (53 406) thousands), as well as the related profit and loss account for the year then ended and the notes to the simplified financial statements including a summary of significant accounting policies.

In our opinion, the accompanying simplified financial statements give a true and fair view of the financial position of the Company as at March 31, 2020 and its financial performance for the year then ended in accordance with Act C of 2000 on Accounting (hereinafter: "the Accounting Act") effective in Hungary.

Basis for Opinion

We conducted our audit in accordance with Hungarian National Standards on Auditing ("HNSA") and with applicable laws and regulations in Hungary. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Simplified financial statements" section of our report.

We are independent of the Company in accordance with the applicable laws of Hungary, with the Hungarian Chamber of Auditors' Rules on ethics and professional conduct of auditors and on disciplinary process and, for matters not regulated in the Rules, with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board (IEASBA Code of Ethics) and we also comply with further ethical requirements set out in Rules and Standards.

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

Responsibilities of Management and those charged with governance for the Simplified financial statements

BDO Magyarország Könyvvizsgáló Kft. egy magyar korlátolt felelősségű társaság, az egyesült királyságbeli BDO International Limited garancia alapú korlátolt felelősségű társaság tagja és a független cégekből álló nemzetközi BDO hálózat része.

BDO Hungary Audit Ltd., a Hungarian limited liability company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent firms.



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Management is responsible for the preparation of the simplified financial statements that give a true and fair view in accordance with the Accounting Act, and for such internal control as management determines is necessary to enable the preparation of simplified financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the simplified financial statements, 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 in preparation of the simplified financial statements. Management has to apply the going concern basis of accounting unless other relevant rules prevent its application or there are facts and circumstances contradicting the going concern principle.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Simplified financial statements

Our objectives are to obtain reasonable assurance about whether the simplified 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 HNSAs 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 simplified financial statements.

As part of an audit in accordance with HNSAs, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the simplified 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 by management.

BDO Magyarország Könyvvizsgáló Kft. egy magyar korlátolt felelősségű társaság, az egyesült királyságbeli BDO International Limited garancia alapú korlátolt felelősségű társaság tagja és a független cégekből álló nemzetközi BDO hálózat része.

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- Conclude on the appropriateness of management's use of the going concern basis in the preparation of the simplified financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the simplified financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the simplified financial statements, including the disclosures, and whether the simplified financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Budapest, 18 August 2020

BDO Hungary Audit Ltd.
1103 Budapest, Kőér utca 2/A
Registration number: 002387


Ferenc Baumgartner
Managing Director




András Schillinger
Certified Auditor
Chamber Registration No.: 007399

BDO Magyarország Könyvvizsgáló Kft. egy magyar korlátolt felelősségű társaság, az egyesült királyságbeli BDO International Limited garancia alapú korlátolt felelősségű társaság tagja és a független cégekből álló nemzetközi BDO hálózat része.

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Registration Number

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HCL Hungary Ltd.

Simplified Annual Report
BALANCE SHEET
(Assets)

Data in THUF

Num- ber	Description	Previous year 31.03.2019	Current year 31.03.2020
a	b	c	d
1.	A FIX ASSETS (2.+4.+6.)	176 431	262 185
2.	I. INTANGIBLE ASSETS	0	52 868
3.	of line 2: Adjusted value of intangible assets	0	0
4.	II. TANGIBLE ASSETS	176 431	209 317
5.	of line 4: Adjusted value of tangible assets	0	0
6.	III. FINANCIAL INVESTMENTS	0	0
7.	of line 6: Adjusted value of financial investments	0	0
8.	B CURRENT ASSETS (9. ... 12.)	750 404	679 404
9.	I. INVENTORIES	9 465	8 713
10.	II. RECEIVABLES	396 948	342 787
11.	III. SECURITIES	0	0
12.	IV. LIQUID ASSETS	343 991	327 904
13.	C ACCRUED AND DEFERRED ASSETS	51 595	26 285
14.	TOTAL ASSETS (1. + 8. + 13.)	978 430	967 874

Date: Budapest, August 18, 2020

Shiv Kumar Walia
Managing Director

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Statistical Number

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Registration Number

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HCL Hungary Ltd.

Simplified Annual Report
BALANCE SHEET
(Liabilities)

Data in THUF

Num- ber	Description	Previous year 31.03.2019	Current year 31.03.2020
a	b	c	d
15.	D EQUITY (16.+18. ... 23.)	82 744	29 338
16.	I. ISSUED CAPITAL	9 000	9 000
17.	Of line 16: a) Repurchased share quota at nominal value	0	0
18.	II. ISSUED CAPITAL NOT PAID (-)	0	0
19.	III. CAPITAL RESERVE	0	0
20.	IV. ACCUMULATED PROFIT RESERVE	62 934	73 744
21.	V. UNDISTRIBUTABLE RESERVE	0	0
22.	VI. REVALUATION RESERVE	0	0
23.	VII. PROFIT AFTER TAX	10 810	-53 406
24.	E PROVISIONS	0	0
25.	F LIABILITIES (26.+27.+28.)	752 662	857 755
26.	I. Subordinated debt	0	0
27.	II. Long-term liabilities	0	0
28.	III. Current liabilities	752 662	857 755
29.	G ACCRUED AND DEFERRED LIABILITIES	143 024	80 781
30.	TOTAL LIABILITIES (15. + 24. + 25. + 29.)	978 430	967 874

Date: Budapest, August 18, 2020

Shiv Kumar Walia
Managing Director

1	4	7	6	3	9	1	3	6	2	0	9	1	1	3	0	1
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Statistical Number

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Registration Number

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HCL Hungary Ltd.

Simplified Annual Report
PROFIT AND LOSS STATEMENT
(Cost Summary Method)

Data in THUF

Item	Description	Previous year 31.03.2019	Current year 31.03.2020
a	b	c	d
I.	Total sales	721 009	602 907
II.	Own performance capitalized	0	0
III.	Other income	0	0
IV.	Material-type expenditures	477 494	333 232
V.	Payments to personnel	129 387	143 606
VI.	Depreciation	39 982	67 774
VII.	Other expenditures	22 906	28 054
A	OPERATING PROFIT OR LOSS (I.+II.±III.-IV.-V.-VI.-VII.)	51 240	30 241
VIII.	Financial revenues	14 697	18 520
IX.	Financial expenditures	53 263	100 868
B	FINANCIAL PROFIT OR LOSS (VIII. - IX.)	-38 566	-82 348
C	PROFIT BEFORE TAX (±A±B)	12 674	-52 107
X.	Usable taxes paid abroad	0	0
X.a.	Tax payable	1 864	1 119
X.b.	Tax payable - correction of previous years	0	180
D	PROFIT AFTER TAX (± C - X.)	10 810	-53 406

Date: Budapest, August 18, 2020

Shiv Kumar Walia
Managing Director

HCL Hungary Ltd.

**Notes to the Simplified Annual Report
April 1, 2019 – March 31, 2020**

Budapest, August 18, 2020

Shiv Kumar Walia
Managing Director

1. THE COMPANY

HCL Hungary Limited, a limited liability company was founded by HCL Bermuda Limited (22 Victoria Street, Hamilton, Bermuda, HM-12) on March 26, 2009. The Company was registered on May 12, 2009, registration No: 01-09-918721/4.

The owner of the Company from March 26, 2009:

HCL Bermuda Limited
HM-12 Hamilton Victoria Street 22
Bermuda

The Company's subscribed capital:

The subscribed capital was 9,000,000 HUF on the last day of the fiscal year comprising cash contribution in

Activities of the Company:

- computer programming
- information-technology advisory service
- computers operating
- data processing, web hosting service
- world wide web service
- other information service

Registered seat of the Company

Registered office of the Company: 1143 Budapest, Stefánia út 101-103.

Managing Directors of the Company, who have the right to sign the Financial Statements.

Shiv Kumar Walia
Maidenhead, Berkshire
Lanrivain Ascot Road
GB SL62HT

Subramanian Gopalakrishnan
Gautam Buth Nagar A-58 Sector 50
ATS Greens 2. Flat 5103
IN 201301 Nodia

Bejoy Joseph George
Wiesenau 44.
DE 60323 Frankfurt

The proper signature for the Company would be carried out by one of the Managing Directors from the above.

Chartered accountant

The name of the person who is responsible for the managing of the accounting services is Eszter Balogh, (address: 1122 Budapest, Ráth György u. 24.) chartered accountant, registration number: 117766.

Audit

Based on the Section 155 (2) and (5) of the Act C of 2000 on Accounting the election of an auditor is obligatory.

The auditor of the Company:

BDO Magyarország Könyvvizsgáló Kft. (székhely: 1103 Budapest, Kőér utca 2/A. C.ép., cégjegyzékszám: 01-09-867785), kijelölt könyvvizsgáló: Schillinger András (kamarai azonosító: 007399, lakcím: 1146 Budapest, Istvánmezei út 2.B. ép. 3.em. 28.).

2. ACCOUNTING POLICY

a) Business year

According to the resolution of the Sole Quotaholder dated on March 26, 2009 the business year of the Company shall be the twelve-month period lasting from July 1 to June 30.

The Sole Quotaholder decided in its resolution of September 15, 2015 to change the fiscal year of the Company so that the Company's fiscal year shall be the twelve-month period lasting from April 1 until March 31. The first modified fiscal year of the Company according to the above started on April 1, 2016.

These financial statements relate to the period from April 1, 2019 to March 31, 2020.

The date of preparation of the Balance Sheet is May 10, 2020.

b) Basis of accounting

The Company is required to keep double-entry books. The selected method for the preparation of the Profit and Loss Account is the summary cost method. The financial statements have been prepared under the historical cost convention in accordance with the Hungarian Act on Accounting.

The Company does not make any changes (enlarging or concentrating) in the chosen version of the Balance Sheet and the Profit and Loss Statement.

The Company represents its assets, equity and liabilities in HUF.

c) Recording of transactions arising in foreign currencies

Transactions arising in a foreign currency other than that in which the books are kept are recorded at the Hungarian National Bank's exchange rate and cross bank rate prevailing at the date of the transaction. Non-realized foreign exchange gains or losses arising from the difference between the book value of the assets / liabilities and the market value of the assets / liabilities computed with the exchange rates prevailing at the turning date are accounted in every case.

3. VALUATIONS (data in thousand HUF)

31.03.2019 31.03.2020

a) *Intangible assets*

Gross value of intangible assets

Description	Movements in thousand HUF				
	Opening	Increase	Low value	Decrease	Closing
Rights representing value	0	30 928	0	0	30 928
Intellectual product - software	0	25 951	0	0	25 951
Total intangible assets	0	56 879	0	0	56 879

Depreciation of intangible assets

Description	Movements in thousand HUF				
	Opening	Increase	Low value	Decrease	Closing
Rights representing value	0	2 343	0	0	2 343
Intellectual product - software	0	1 668	0	0	1 668
Total intangible assets	0	4 011	0	0	4 011

Net value of rights representing value	0	28 585
Net value of intellectual product - software	0	24 283
Összesen	0	52 868

b) *Tangible assets*

Gross value of tangible assets

Description	Movements in thousand HUF				
	Opening	Increase	Low value	Decrease	Closing
Computer & equipment	216 806	108 142	660	660	324 948
Assets in course of construction	12 724	571	0	12 724	571
Total tangible assets	229 530	108 713	660	13 384	325 519

Depreciation of tangible assets

Description	Movements in thousand HUF				
	Opening	Increase	Low value	Decrease	Closing
Computer & equipment	53 099	63 103	660	660	116 202
Total tangible assets	53 099	63 103	660	660	116 202

Net value of computer equipment	163 707	208 746
Assets in course of construction	12 724	571
Total	176 431	209 317

	<u>31.03.2019</u>	<u>31.03.2020</u>
c) Inventories		
Goods for sale	9 465	8 713
Total	9 465	8 713

d) Receivables		
Trade debtors	163 100	228 067
Loss of value of trade debtors	-10 273	-14 502
Corporate income tax receivable	5 591	5 291
Receivables against employees	452	2 187
Advances to trade suppliers	0	2 794
Receivables against group companies	238 078	118 950
Total	396 948	342 787

e) Cash		
HUF current account at Deutsche Bank	343 991	254 297
USD current account at Deutsche Bank (\$ 225,048.38 on 03.31.2020)	0	73 607
Total	343 991	327 904

f) Accrued and deferred assets		
Prepaid insurance fee	6 451	3 424
Accrued IT service expenses	19 084	14 204
Accrued IT service expenses - group	0	1 609
Unbilled receivables	21 479	4 353
Unbilled receivables - group	4 581	2 695
Total	51 595	26 285

g) Equity	<u>31.03.2019</u>	<u>Increase</u>	<u>Decrease</u>	<u>31.03.2020</u>
Issued capital	9 000	0	0	9 000
Accumulated profit reserve	62 934	10 810	0	73 744
Profit or loss for the year	10 810	0	64 216	-53 406
Total	82 744	10 810	64 216	29 338

h) Current liabilities		
Deutsche Bank AG Amsterdam EUR acc.(-920,914.49 EUR on 03.31.2019)	295 420	448 295
Deutsche Bank Hungary EUR account (-25.00 EUR on 03.31.2019)	8	9
Liabilities to group companies	173 236	92 721
Loan from HCL EAS Limited	213 174	243 667
Liabilities to IMB due to acquisition of customer relationship base	0	18 008
Trade suppliers	14 660	31 504
Advances received from customers	0	4 742
VAT liability	54 409	14 424
Local business tax liability	931	239
Innovation contribution liability	0	523
Liabilities to employees	0	2 559
Liabilities to pension fund, health fund	824	1 064
Total	752 662	857 755

	<u>31.03.2019</u>	<u>31.03.2020</u>
i) Accrued and deferred liabilities		
Deferred revenue	2 113	50 709
Accrued bookkeeping fee	577	1 708
Accrued payroll service fee	52	148
Accrued audit fee	850	850
Accrued legal fee	0	900
Accrued travel expenses	403	373
Accrued bonus	1 536	2 174
Accrued taxes on bonus	438	510
Accrued COGS	118 771	0
Accrued IT service expenses	1 125	8 256
Accrued IT service expenses - group	10 464	13 819
Accrued interest on loan from HCL EAS Ltd.	6 695	1 334
Total	143 024	80 781

	<u>01.04.2018- 31.03.2019</u>	<u>01.04.2019- 31.03.2020</u>
j) Total sales		
Revenue from domestic sales	399 010	443 873
Revenue from foreign sales	321 999	159 034
Total	721 009	602 907

k) Material-type expenditures		
Office supplies	205	151
Legal advisory	88	3 706
Bookkeeping	2 668	8 349
Payroll service fee	2 714	963
Audit fee	850	850
Other outsourced services (project related costs)	80	55
Rental expenses	411	415
IT services	297 437	248 901
Telecommunication costs	324	179
Travel expenses	4 446	5 454
Cost of goods sold	145 382	15 408
Intermediated services	18 933	44 793
Membership fees	5	5
Bank charge	3 951	4 003
Total	477 494	333 232

l) Payments to personnel		
Gross salary	112 370	113 030
Other personal expenses	0	6 355
Payroll related taxes	17 017	24 221
Total	129 387	143 606

m) Depreciation		
Lump sum depreciation	2 184	660
Depreciation	37 798	67 114
Total	39 982	67 774

	<u>01.04.2018-</u> <u>31.03.2019</u>	<u>01.04.2019-</u> <u>31.03.2020</u>
n) Other expenditures		
Provision for bad debts	10 016	4 228
Inventory written-off	0	9 039
Loans receivable written-off	858	0
Late interest paid	524	1 278
Innovation contribution	0	1 762
Local business tax	11 508	11 747
Total	22 906	28 054

o) Financial revenues		
Realized exchange gain	14 696	17 807
Interest income from bank	1	713
Total	14 697	18 520

p) Financial expenditures		
Interest expenditure on loan from HCL EAS Ltd.	9 630	9 026
Interest paid to bank	613	500
Realized exchange loss	36 558	62 930
Unrealized exchange loss	6 462	28 122
Other financial expenses	0	290
Total	53 263	100 868

q) Taxation

Calculation of the corporate tax liability and the annual profit figure:

	<u>31.03.2019</u>	<u>31.03.2020</u>
Total revenues	735 706	621 427
Total expenditures	723 032	673 534
Profit before taxation	12 674	-52 107
Tax base increasing item	50 024	81 042
- Depreciation according to the Act on Accounting	39 982	67 774
- Provision for bad debt	10 016	4 228
- Inventory write-off	0	9 039
- Expenses not supported by documentation	26	1
Tax base decreasing item	41 985	67 774
- Depreciation according to the Act on Corporate income tax	39 982	67 774
- Bad debt	2 003	0
- Utilization of previous years' losses	0	0
Corporate income tax base	20 713	-38 839
Corporate income tax (9%) - not applicable in FY2019/2020	1 864	0
Tax base for minimum tax (2% of total revenues)	14 714	12 429
Minimum tax (9%) - applicable in FY 2019/2020	1 324	1 119
CIT correction of previous years	0	180
Profit after tax	10 810	-53 406

r) Wages and staff number

The company had 11 employees in the business year and 10 employees in the preceding business year. The average number of expat employees at the Company was 2 in the business year and 1 in the preceding business year.

s) Ratios

	<u>31.03.2019</u>	<u>31.03.2020</u>
Ratio of Current assets (Current assets/Total assets)	76,69%	70,20%
Liquidity ratio (Current assets/Current liabilities)	1,00	0,79
Return on Equity (Profit before taxes/Equity)	15,32%	-177,61%