

Annual Report

for

HCL Sweden AB

556551-6068

Financial Year

01 April 2017 – 31 March 2018

HCL Sweden AB

Corporate Identity Number 556551-6068

(All amounts are in KSEK, except shares and per share data)

ANNUAL REPORT FOR THE FINANCIAL YEAR 1 April 2017--31 March 2018

The Board of Directors of HCL Sweden AB hereby presents the annual report for the financial year 1 April 2017 - 31 March 2018.

ADMINISTRATION REPORT

Overview

During the financial year 2017-18, the Company's revenues stood at SEK 510 832 against SEK 766 326 over the previous year. The profit after financial items stood at SEK 16 088 against SEK 43 386 over the previous year.

Operations

HCL Sweden AB ("the Company/HCL") incorporated in Sweden (Corporate Identity Number 556551-6068) is a wholly owned subsidiary of HCL Great Britain Limited, United Kingdom (Corporate Identity Number 3299523), which is ultimately held by HCL Technologies Ltd, the parent company. The Company has been operative in the Swedish market since January 1998. The Company provides a broad offering of services within the Information Technology and Engineering services area.

Business Overview

The company renewed & expended its business within several of its existing customers and established new significant customer relationships.

Expectations regarding future development

The demand of the company's services expected to be stable during financials year 2018-19.

Principal risks and uncertainties

The software industry thrives on a dynamic and highly competitive business environment, characterised by rapid technological change and innovations that constantly challenge conventional business models. The company is exposed to some financial risks, e.g. exchange rate risks and credit risk. The company has established an internal control mechanism aiming at reducing these risks.

Changes in equity for the year

	Share Capital	Statutory Reserve	Accumulated Net Profit / Loss	Annual Net Profit / Loss
Opening balance (10000 shares with quotient value 10)	100	15	111 321	31 878
Appropriation of profits	-	-	31 878	(31 878)
Dividend paid	-	-	(50 000)	-
Net profit/loss for the year	-	-	-	9 423
Closing balance	100	15	93 199	9 423

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Acknowledgements

The Board wishes to place on record its appreciation to the contribution made by the employees of the Company during the year under review. The Company has achieved impressive growth through the competence, hard work and support of employees at all levels. The Directors thank the customers, clients, vendors and other business associates for their continued support in the Company's growth. The Directors also wish to thank the Government Authorities, Financial Institutions for their cooperation and assistance extended to the Company.

5-year summary

	2017/18	2016/17	2015/16	2014/15	2013/14
Net sales,	510 832	766 326	681 809	846 879	677 643
Profit after financial items,	16 088	43 386	50 062	21 061	24 047
Balance sheet total,	248 428	336 615	514 202	533 283	280 987
Financial strength, % *	41,4	43,2	21,6	13,6	19,9
Operating margin, % **	4,1	3,4	6,8	4,0	3,8
Return on equity, % ***	9,2	22,2	35,0	22,6	33,4
Number of employees	74	78	118	150	167

* Financial strength, % refers to "Total equity" divided by "Total assets"

** Operating margin, % refers to "Operating profit" divided by "Net sales"

*** Return on equity, % refers to "Net profit for the year" divided by "Total equity"

Proposed appropriation of profits

Board of Directors propose that the profits available 31 March 2018

Profit brought forward	143 199
Net profit/loss for the year	9 423
Total	<u>152 622</u>

Be appropriated as follows

Dividend paid	-
To be carried forward	152 622
Total	<u>152 622</u>

For information regarding the results of the Company's operations and financial position as per 31 March 2018 and 31 March 2017, refer to the following income statement and balance sheet.

Sustainability

In accordance with the Swedish Accounting Act the company has prepared the regulated sustainability report as a report separated from the annual report, refer to Appendix 1. The sustainability report has been submitted to the auditor together with the annual report.



HCL Sweden AB**Corporate Identity Number 556551-6068**

(All amounts are in KSEK, except shares and per share data)

INCOME STATEMENT

For the year ended 31 March 2018

		1 April 2017 31 March 2018	1 April 2016 31 March 2017
Net Sales	Note 1, 9	510 832	766 326
		510 832	766 326
Operating expenses			
Other external expenses	Note 4, 9	(327 238)	(579 814)
Personnel costs	Note 2	(132 985)	(138 668)
Depreciation of tangible assets according to plan	Note 3	(30 473)	(34 573)
Other operating expenses	Note 7	870	12 927
Operating profit / loss		21 006	26 198
Results from financial items			
Interest income and similar Profit/loss items		706	2 554
Non Trading Forex		(1 700)	14 753
Interest expenses and similar loss/ profit items		(3 924)	(119)
Profit/loss after financial items		16 088	43 386
Tax on profit for the year	Note 11	(6 665)	(11 508)
Net profit/loss for the year		9 423	31 878

HCL Sweden AB**Corporate Identity Number 556551-6068**

(All amounts are in KSEK, except shares and per share data)

BALANCE SHEET		<u>31 March 2018</u>	<u>31 March 2017</u>
ASSETS			
Fixed assets			
Tangible fixed assets equipment	Note 3	<u>51 166</u>	<u>75 117</u>
Total fixed assets		<u>51 166</u>	<u>75 117</u>
Current assets			
Current receivables			
Accounts receivable		71 826	138 275
Receivables with Group companies		84 630	50 810
Other receivables		1 148	10 278
Prepaid expenses and accrued income	Note 8	<u>29 394</u>	<u>51 816</u>
		186 998	251 179
Cash and bank balances	Note 12	<u>10 264</u>	<u>10 319</u>
Total current assets		197 262	261 498
TOTAL ASSETS		<u><u>248 428</u></u>	<u><u>336 615</u></u>

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HCL Sweden AB**Corporate Identity Number 556551-6068**

(All amounts are in KSEK, except shares and per share data)

BALANCE SHEET31 March 201831 March 2017**EQUITY AND LIABILITIES****Equity**

Note 5

Restricted equity:

Share capital

100

100

Statutory reserve

15

15

115115*Non-restricted equity:*

Profit brought forward

93 199

111 321

Net profit/loss for the year

9 423

31 878

102 622143 199

Total equity

102 737

143 314

Current liabilities

Accounts payable - trade

2 890

11 892

Liabilities to group companies

87 733

68 297

Other liabilities

5 392

4 202

Tax liabilities

1 180

13 433

Short term loan

-

2 296

Accrued expenses and deferred income

48 496

93 181

Total current liabilities

145 691193 301**TOTAL EQUITY AND LIABILITIES**248 428336 615

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(All amounts are in KSEK, except shares and per share data)

Statement of Cash Flows

		For the year ended	
		31 March 2018	31 March 2017
Operating Activities			
Operating Result		21 006	26 198
Adjustments for items not affecting cash flows			
Depreciation and write-downs	Note 3	30 473	34 573
Currency translation adjustment		(1 700)	1 772
		49 779	62 543
Interest received		706	2 554
Interest paid		(3 924)	(119)
Income taxes paid		(18 918)	(7 319)
Net cash provided by operating activities before change in working capital		27 643	57 659
Change in working capital			
Decrease/ Increase in current receivables		64 181	9 185
Decrease/ Increase in current liabilities		(33 061)	(73 734)
Net cash (used) provided by operating activity		58 763	(6 890)
Investing activities			
Reversal of accumulated depreciation on disposal	Note 3	(9 396)	-
Disposal of tangible fixed assets	Note 3	10 983	-
Acquisitions of tangible fixed assets	Note 3	(8 109)	(21 778)
Net cash (used) in investing activities		(6 522)	(21 778)
Financing activities			
Loan (repaid to) from financial institution		-	(139 921)
Loan repayment by (given to) group companies		(2 296)	157 623
Repayment of loan taken from group companies		-	-
Dividend paid		(50 000)	-
Net cash provided (used) by financing activities		(52 296)	17 702
Net change in cash		(55)	(10 966)
Cash at the beginning of the year	Note 12	10 319	21 285
Cash at the end of year		10 264	10 319

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HCL Sweden AB

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(All amounts are in KSEK, except shares and per share data)

Accounting Principles

General accounting principles

The annual report has been prepared in accordance with the Annual Accounts Act (1995:1554) and BFNAR 2012:1 (K3).

Group information

HCL Sweden AB is a subsidiary of HCL Great Britain Ltd, seated in England. HCL Great Britain Ltd is part of a group where HCL Technologies Ltd, seated in India, issues the group accounting statements for the largest group.

Of the total purchases and sales measured in SEK, 81% (previous year 77 %) of the purchases and 22% (previous year 10%) of the sales are intragroup transactions.

Assessments and estimates

The board of directors has assessed that the significant assessments or estimates in the annual report is limited to the estimation of useful life of fixed assets.

Revenue recognition

Software services revenue

Revenue from software services consist of revenue from variable (based on time and material) and fixed price agreements. Revenue from variable price agreements is recognized as the work is performed. Accrued but not invoiced revenue is accounted for in the balance sheet at the amount which is expected to be invoiced.

The entity recognizes revenue from fixed price agreements as the work is performed, using the percentage of completion method. When calculating accrued income, the completion percentage has been calculated as expenses incurred at the balance sheet date in relation to the total expenses expecting to be incurred to complete the agreement. The difference between recognized revenue and invoiced amount to date is accounted for in the balance sheet. The cumulative impact of any revision in estimates of the percentage of work completed is reflected in the year in which the change becomes known. Provisions for estimated losses are made during the year in which a loss becomes probable based on current contract estimates. Revenue from sale of licenses for the use of software applications is recognized on transfer of title in the user license. Revenue from annual technical service contracts is recognized on a pro rata basis over the period in which such services are rendered. Income from revenue sharing agreements is recognized when the right to receive is established.

Infrastructure services revenue

Revenue from infrastructure services consists of revenue from variable price agreements based on time or units. Revenue is recognized when the associated services have been performed in accordance with the terms of the agreements. When an agreement consists of several deliveries where revenue cannot be allocated to specific deliveries, the agreement is accounted for as if it consisted of a single delivery. Revenue is recognized under the percentage of completion method based on the completion of the significant services in the agreement, or is deferred until the final delivery has been completed.

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Leasing

The entity as a lessor

When the economic risks and benefits associated with the leased assets have been transferred to the lessee, the leasing agreement is classified as a financial leasing agreement. The entity accounts for financial leasing agreements in accordance with the simplification rule in BFNAR 2012:1, which means that financial leasing agreements are accounted for as if they were operating leasing agreements.

When the economic risks and benefits associated with the leased assets have not been transferred to the lessee, the leasing agreement is classified as an operating leasing agreement. The assets that the entity is a lessor of are accounted for as fixed assets or current assets depending on when the leasing period ends. The leasing fee is determined annually and is recognized linearly over the leasing period.

The entity as a lessee

The entity accounts for all leasing agreements, financial as well as operating, as if they were operating leasing agreements. Operating leasing agreements are accounted for as costs linearly over the leasing period.

Compensation to employees

Compensation to employees consists of all types of salaries and benefits that the entity provides employees with. These include salaries, paid vacation, paid leave, bonuses and compensation after employment ends. Costs are recognized as compensation is earned. Compensation after employment ends consists of defined benefit or defined contribution pension plans. Defined contribution plans are defined as plans where defined fees are paid and the entity does not retain any obligation to pay for any additional expenses in addition to these fees. Defined benefit plans are defined as all other pension plans. The entity does not have any other long-term compensation obligations towards employees.

The entity only has defined contribution pension plans. Expenses for defined contribution pension plans are recognized as costs during the period in which the services are being provided that give rise to the obligations.

Valuation of items in foreign currencies

Receivables and payables in foreign currencies are valued using the rate at the balance sheet date. Gains and losses from valuation of operating receivables and payables are included in the operating profit while gains and losses from valuation of financial receivables and payables are accounted for as financial items.

Taxes

Total taxes consist of current taxes and deferred taxes. Taxes are recognized in the income statement, except when the underlying transaction is accounted for directly to equity in which case the tax effect of the transaction is also accounted for directly to equity.

HCL Sweden AB

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(All amounts are in KSEK, except shares and per share data)

Current taxes

Current taxes are taxes that concern the current year as well as taxes for prior years that have not yet been recognized. Current taxes are calculated based on the tax rate that is in effect per the balance sheet date.

Deferred taxes

Deferred taxes are income taxes for future years based on prior events. These are accounted for using the balance sheet method. Under this method deferred tax payables and deferred tax receivables are recognized for temporal differences that occur based on differences between book value and tax base value for assets and liabilities as well as for other tax adjustments. Deferred tax assets are presented net of deferred tax liabilities only if these can be settled with a net payment. Deferred tax is calculated based on the tax rate at the balance sheet date. The effect of changes in the tax rate is recognized in the period in which the change is legislated. Deferred tax receivables are reduced to the part that it is not probable that the underlying tax receivable will be realized within the foreseeable future.

Fixed assets

Tangible and intangible fixed assets are recognized at acquisition cost reduced by the accumulated depreciation charges and write-downs (if applicable).

The depreciable amount consists of the acquisition cost reduced with the estimated residual value, if significant. Depreciation is performed linearly over the estimated useful life.

The following depreciation times are used:

Particulars	Useful Life
Computers	4-5
Electrical Installations	10
Furniture And Fixture	7
Networking Equipment	5
Office Equipment	5
Software-Application	3

Financial instruments

Financial instruments are valued based on the acquisition cost.

Receivables and payables

Unless otherwise is stated above, current receivables are valued at the lowest of the acquisition cost and the amount which is expected to be received to settle the receivable. Long-term receivables and long-term payables are valued to amortized cost after initial recognition. Other payables are valued at the amount which is expected to be paid to settle them. Other assets are valued at acquisition cost unless otherwise is stated above.

HCL Sweden AB**Corporate Identity Number 556551-6068**

(All amounts are in KSEK, except shares and per share data)

1. Net Sales

Sales are distributed as follows:

	1 April 2017 31 March 2018	1 April 2016 31 March 2017
Sweden	451 353	654 465
USA	11 502	14 998
Others	47 977	96 863
	510 832	766 326

2. Personnel

Average number of employees:

	1 April 2017 31 March 2018	1 April 2016 31 March 2017
Women	6	7
Men	68	71
	74	78

The Company had 2 (2) members of the Board per balance sheet date, all are men.

Salaries and other remunerations:

	1 April 2017 31 March 2018	1 April 2016 31 March 2017
Board and Managing Director	-	-
Other employees	95 533	99 127
	95 533	99 127

Pension costs:

Board and Managing Director	-	-
Other employees	17 648	16 249

Other statutory and contractual social security contributions

Total statutory and contractual social security contributions**Total salaries and remuneration, pension costs and social security contributions****132 985** **138 668**

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(All amounts are in KSEK, except shares and per share data)

3. Tangible fixed assets

	<u>31 March 2018</u>	<u>31 March 2017</u>
<u>Equipment</u>		
Opening accumulated acquisition cost	254 960	233 182
New acquisitions for the year	8 109	21 778
Disposal for the year	(10 983)	-
Closing accumulated acquisition cost	<u>252 086</u>	<u>254 960</u>
Opening accumulated depreciation	(179 843)	(145 270)
Depreciation for the year	(30 473)	(34 573)
Disposal for the year	9 396	-
Closing accumulated depreciation	<u>(200 920)</u>	<u>(179 843)</u>
Residual value according to plan	51 166	75 117

4. Remuneration to auditors

	<u>1 April 2017</u> <u>31 March 2018</u>	<u>1 April 2016</u> <u>31 March 2017</u>
Ernst & Young AB:		
Auditing	235	235
Audit activities in addition to the audit engagement	65	-
Tax advice	-	-
Other Services	-	-
	<u>300</u>	<u>235</u>

5. Equity**Changes in equity for the year**

	Share Capital	Statutory Reserve	Accumulated Net Profit / Loss	Annual Net Profit / Loss
Opening balance (10000 shares with quotient value 10)	100	15	111 321	31 878
Appropriation of profits	-	-	31 878	(31 878)
Dividend paid	-	-	(50 000)	-
Net profit/loss for the year	-	-	-	9 423
Closing balance	100	15	93 199	9 423

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HCL Sweden AB**Corporate Identity Number 556551-6068**

(All amounts are in KSEK, except shares and per share data)

6. Accrued expenses and deferred income	31 March 2018	31 March 2017
Personnel related	30 606	50 840
Fees, consultants and auditors	300	2 044
Other accrued expenses	12 501	26 406
Deferred income	5 089	13 891
	48 496	93 181
7. Other operating expenses	1 April 2017	1 April 2016
	31 March 2018	31 March 2017
Exchange rate gain relating to operations	870	12 927
8. Prepaid expenses and accrued income	1 April 2017	1 April 2016
	31 March 2018	31 March 2017
Accrued income	2 165	12 089
Prepaid expenses	27 229	39 727
	29 394	51 816
9. Leasing	1 April 2017	1 April 2016
	31 March 2018	31 March 2017
<u>Lessor</u>		
Total operating leasing revenue during the year	1 919	210 975
Future minimum lease payments of non-cancellable operating leasing agreements		
Within 1 year	1 919	2 176
Within 1-5 years	3 518	5 538
Later than within 5 years	-	58
Total	5 437	7 772
<u>Lessee</u>		
Total operating leasing costs during the year	937	34 731
Future minimum lease payments of non-cancellable operating leasing agreements		
To be paid within 1 year	190	890
To be paid within 1-5 years	-	223
To be paid later than within 5 years	-	-
Total	190	1 113

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HCL Sweden AB**Corporate Identity Number 556551-6068**

(All amounts are in KSEK, except shares and per share data)

The company has given its own assets under operating lease and also undertaken assets on lease and further subleased to customer. Owned assets are included in tangible fixed assets and are depreciated over the term of lease agreement.

Amounts receivable from the customer towards lease fee are accounted for as rental revenue and distributed rateably over the period of lease. Interest receivable, under leases, is credited to the profit and loss account over the term of the lease agreement.

Amount payable to suppliers towards lease fee is accounted for as operational cost and distributed rateably over the lease term.

10. Loans	<u>31 March 2018</u>	<u>31 March 2017</u>
Opening balance	2 296	142 217
Additions during the year	-	-
Repayment during the year	(2 296)	(139 921)
Closing balance	<u>-</u>	<u>2 296</u>
Of which is:		
Short term loan	<u>-</u>	<u>2 296</u>
Total	<u>-</u>	<u>2 296</u>

The above loan stems from a sale of the rights to receive future lease payments from customers that have been sold to a financial institution, which means that future lease payments are pledged to repay the loan.

11. Taxes	<u>1 April 2017 31 March 2018</u>	<u>1 April 2016 31 March 2017</u>
Tax for the income for the year	6 747	13 040
Adjustment for prior years	528	(208)
Change in deferred tax for temporary differences	(609)	-
Change in deferred tax assets for loss deductibles	-	(1 324)
Total tax for the year	<u>6 665</u>	<u>11 508</u>

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(All amounts are in KSEK, except shares and per share data)

11. Taxes (continued)

	1 April 2017 31 March 2018	1 April 2016 31 March 2017
Reconciliation of effective tax rate		
Income before taxes	16 088	43 386
Tax on income before taxes based on current tax rate (22%)	3 539	9 545
Tax effect of:		
Non-deductible write-downs	-	-
Other non-deductible costs	2 602	2 171
Adjustment for prior years	524	-
Non-taxable income	-	-
Others	-	(208)
Total tax for the year	6 665	11 508
Effective tax rate	41%	27%

12. Cash and cash equivalents

	31 March 2018	31 March 2017
Cash and bank balances	10 264	10 319
	10 264	10 319

13. Pledged assets and contingent liabilities

The company has nil contingent liabilities and pledged assets during the current year and previous financial year.

14. Controlling party

The Company's ultimate parent undertaking and controlling party is HCL Technologies Limited, a company incorporated in India.

The largest and smallest group of undertakings for which the group financial result have been prepared that include the result of the company is that headed by HCL Technologies Limited. The consolidated financial statements are available to the public and may be obtained from HCL Technologies Limited, Noida, Uttar Pradesh, India.

15. Other

During the current year, Company has presented the numbers in KSEK and accordingly the figures of the previous year has been regrouped to conform the current year presentation.

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HCL Sweden AB

Corporate Identity Number 556551-6068

(All amounts are in KSEK, except shares and per share data)

16. Significant events

The company has evaluated all significant events till the date on which financial statements were issued and no event have occurred from the balance sheet date through that date that would have material impact on the financial statement.

17. Proposed appropriation of profits

Board of Directors propose that the profits available	31 March 2018
Profit brought forward	143 199
Net profit/loss for the year	9 423
Total	152 622
Be appropriated as follows	
Dividend paid	-
To be carried forward	152 622
Total	152 622

Stockholm August 6, 2018



Subramanian Gopalakrishnan
(Director of the Board)



Shiv Kumar Walia
(Director of the Board)

Our audit report was presented on 7/9-2018
Ernst & Young AB



Per Hedström
Authorised Public Accountant



THIS IS A TRANSLATION FROM THE SWEDISH ORIGINAL

Appendix 1 Auditor's report for a limited liability company without group

Building a better
working world

Auditor's report

To the general meeting of the shareholders of HCL Sweden AB, corporate identity number 556551-6068

Report on the annual accounts

Opinions

We have audited the annual accounts of HCL Sweden AB for the year 2017-04-01 - 2018-03-31.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the HCL Sweden AB as of March 31, 2018 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of the HCL Sweden AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our 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 opinions.

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors is also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Directors is responsible for the assessment of the company's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden 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 annual accounts.

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

- Identify and assess the risks of material misstatement of the annual accounts, 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 opinions. 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 the company's internal control relevant to our 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 the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting in preparing the annual accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any 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 annual accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts. 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 a company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors of HCL Sweden AB for the year 2017-04-01 - 2018-03-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of the HCL Sweden AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our 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 opinions.

Responsibilities of the Board of Directors

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Stockholm September 7, 2018

Ernst & Young AB

Per Hedström
Authorized Public Accountant