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Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF HCL EAS Limited

Report on the Audit of Special Purpose Financial Statements

Qualified Opinion

We have audited the special purpose financial statements of **HCL EAS Limited** ("the Company"), which comprise the Special Purpose Balance Sheet as at 31 March 2020, and the Special Purpose Statement of Profit and Loss (including other comprehensive income), Special Purpose Statement of Changes in Equity and Special Purpose Statement of Cash Flows for the year then ended, and notes to the Special Purpose Financial statements, including a summary of the significant accounting policies and other explanatory information (collectively referred to as "Special purpose financial statements"). These special purpose financial statements have been prepared by management in accordance with the basis of preparation mentioned in Note 1(a) to the accompanying notes to the special purpose financial statements.

In our opinion and to the best of our information and according to the explanations given to us,except for the possible effects of the matter described in the 'Basis for Qualified Opinion' section of our report, the aforesaid special purpose financial statements give a true and fair view of the state of affairs of the Company as at 31 March 2020, and of its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date in accordance with the basis of preparation mentioned in Note 1(a) to the special purpose financial statements.

Basis for Qualified Opinion

Attention is drawn to note 2.9 of the special purpose financial statements wherein the Company explained that it evaluated the terms and conditions of Preference Shares issued by the Company amounting to USD 573,699 thousand for determining the accounting thereof. However, evaluation of the earlier underlying terms of issue of these preference shares is not in accordance with the applicable accounting guidance under Ind AS 109 "Financial Instruments" and Ind AS 32 "Financial Instruments: Presentation" and its effects have not been determined by the Company. Accordingly, we were unable to obtain sufficient appropriate audit evidence to comment on the impact of this matter on the opening balances of these preference shares and retained earnings of the Company. Since opening balance of these preference shares may impact the determination of the financial performance and cash flows, we were unable to determine whether adjustments might have been necessary in respect of the profit for the year reported in the statement of profit or loss (including other comprehensive income) and the net cash flows reported in the statement of cash flows for the year ended 31 March 2020.

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India. Our responsibilities under those SAs 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 Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the special purpose financial statements.

Emphasis of Matter - Basis of Accounting and Restriction on Use and Distribution

We draw attention to Note 1(a) to the special purpose financial statements, wherein it is stated that these special purpose financial statements do not comply with the notes and disclosure requirements and do not include the previous year comparatives as required under the presentation requirements of Schedule III (Division II) to the Companies Act, 2013 ('the Act') and Ind AS 1, "Presentation of Financial Statements", as these special purpose financial statements have been prepared for limited use of the ultimate holding company, HCL Technologies Limited, to comply with the requirements of Section 129(3) of the Act. These special purpose financial statements are not the statutory financial statements of the Company. As a result, these special purpose financial statements may not be suitable for any other purpose.

Management's Responsibility for the Special Purpose Financial Statements

The Company's management and Board of Directors are responsible for the preparation of these special purpose financial statements that give a true and fair view of the state of affairs, profit/loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the basis of preparation mentioned in Note 1 (a) to the special purpose financial statements. This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, management and Board of Directors are 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose 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 SAs 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 special purpose financial statements.

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

• Identify and assess the risks of material misstatement of the special purpose 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 whether the Company has in place an adequate internal financial controls system with reference to financial statements and the operating effectiveness of such controls.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

• Conclude on the appropriateness of management's 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 special purpose 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 special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Rakesh Dewan

Digitally signed by Rakesh Dewan
Date: 2020.09.28 23:23:26 +05'30'

Rakesh Dewan
Partner
Membership No.: 092212
ICAI UDIN: 20092212AAAAER9168

Place: Gurugram
Date: 28 September 2020