



Tel: +36 1 235 3010, 235 3090  
Fax: +36 1 266 6438  
www.bdo.hu

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 2018 which comprise the balance sheet as at March 31, 2019 (which shows an equal amount of total assets and total liabilities of HUF 978 430 thousands and an after-tax profit for the year of HUF 10 810 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, 2019 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**

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.

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.



Tel: +36 1 235 3010, 235 3090  
Fax: +36 1 266 6438  
www.bdo.hu

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

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.
- 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.

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.





Tel: +36 1 235 3010, 235 3090  
Fax: +36 1 266 6438  
www.bdo.hu

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

- 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, 28 May 2019

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

Péter Kékesi  
Managing Director



András Schillinger  
Certified Auditor  
Chamber Registration No.: 007399

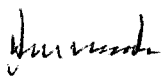
BDO Magyarország Könyvvizsgáló Kft. egy magyar korlátolt felelősségű társaság, az egyesült királyságbeli BDO International Limited garancia alapú korlátolt felelősségű társaság tagja és a független cégek:ből álló nemzetközi BDO hálózat része.

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.

**HCL Hungary Ltd.**

**Notes to the Simplified Annual Report  
April 1, 2018 – March 31, 2019**

Budapest, June 7, 2019



---

Shiv Kumar Walia  
Managing Director

1	4	7	6	3	9	1	3	6	2	0	9	1	1	3	0	1
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

Statistical Number

0	1	—	0	9	—	9	1	8	7	2	1
---	---	---	---	---	---	---	---	---	---	---	---

Registration Number

1	1
---	---

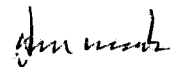
HCL Hungary Ltd.

Simplified Annual Report  
BALANCE SHEET  
(Assets)

Data in THUF

Num- ber	Description	Previous year 31.03.2018	Current year 31.03.2019
a	b	c	d
1.	<b>A FIX ASSETS</b> (2.+4.+6.)	<b>75 109</b>	<b>176 431</b>
2.	I. INTANGIBLE ASSETS	0	0
3.	of line 2: Adjusted value of intangible assets	0	0
4.	II. TANGIBLE ASSETS	75 109	176 431
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>B CURRENT ASSETS</b> (9. .... 12.)	<b>475 011</b>	<b>750 404</b>
9.	I. INVENTORIES	8 062	9 465
10.	II. RECEIVABLES	217 066	396 948
11.	III. SECURITIES	0	0
12.	IV. LIQUID ASSETS	249 883	343 991
13.	<b>C ACCRUED AND DEFERRED ASSETS</b>	<b>17 023</b>	<b>51 595</b>
14.	<b>TOTAL ASSETS</b> (1. + 8. + 13.)	<b>567 143</b>	<b>978 430</b>

Date: Budapest, June 7, 2019



Shiv Kumar Walia  
Managing Director



1	4	7	6	3	9	1	3	6	2	0	9	1	1	3	0	1
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

Statistical Number

0	1	—	0	9	—	9	1	8	7	2	1
---	---	---	---	---	---	---	---	---	---	---	---

Registration Number

1	2
---	---

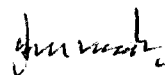
HCL Hungary Ltd.

Simplified Annual Report  
BALANCE SHEET  
(Liabilities)

Data in THUF

Num- ber	Description	Previous year 31.03.2018	Current year 31.03.2019
a	b	c	d
15.	<b>D EQUITY</b> (16.+18. ... 23.)	<b>71 934</b>	<b>82 744</b>
16.	<b>I. ISSUED CAPITAL</b>	9 000	9 000
17.	Of line 16: a) Repurchased share quota at nominal value	0	0
18.	<b>II. ISSUED CAPITAL NOT PAID</b> (-)	0	0
19.	<b>III. CAPITAL RESERVE</b>	0	0
20.	<b>IV. ACCUMULATED PROFIT RESERVE</b>	963	62 934
21.	<b>V. UNDISTRIBUTABLE RESERVE</b>	0	0
22.	<b>VI. REVALUATION RESERVE</b>	0	0
23.	<b>VII. PROFIT AFTER TAX</b>	61 971	10 810
24.	<b>E PROVISIONS</b>	0	0
25.	<b>F LIABILITIES</b> (26.+27.+28.)	<b>470 022</b>	<b>752 662</b>
26.	<b>I. Subordinated debt</b>	0	0
27.	<b>II. Long-term liabilities</b>	0	0
28.	<b>III. Current liabilities</b>	470 022	752 662
29.	<b>G ACCRUED AND DEFERRED LIABILITIES</b>	<b>25 187</b>	<b>143 024</b>
30.	<b>TOTAL LIABILITIES</b> (15. + 24. + 25. + 29.)	<b>567 143</b>	<b>978 430</b>

Date Budapest, June 7, 2019



Shiv Kumar Walia  
Managing Director



1	4	7	6	3	9	1	3	6	2	0	9	1	1	3	0	1
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

Statistical Number

0	1	—	0	9	—	9	1	8	7	2	1
---	---	---	---	---	---	---	---	---	---	---	---

Registration Number

2	1
---	---

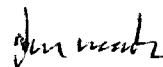
HCL Hungary Ltd.

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

Data in THUF

Item	Description	Previous year 31.03.2018	Current year 31.03.2019
a	b	c	d
I.	Total sales	455 890	721 009
II.	Own performance capitalized	0	0
III.	Other income	0	0
IV.	Material-type expenditures	240 423	477 494
V.	Payments to personnel	125 823	129 387
VI.	Depreciation	26 485	39 982
VII.	Other expenditures	9 160	22 906
A	<b>OPERATING PROFIT OR LOSS</b> (I. + II. ± III. - IV. - V. - VI. - VII.)	<b>53 999</b>	<b>51 240</b>
VIII.	Financial revenues	28 891	14 697
IX.	Financial expenditures	15 639	53 263
B	<b>FINANCIAL PROFIT OR LOSS</b> (VIII. - IX.)	<b>13 252</b>	<b>-38 566</b>
C	<b>PROFIT BEFORE TAX</b> (± A ± B)	<b>67 251</b>	<b>12 674</b>
X.	Usable taxes paid abroad	0	0
X.	Tax payable	5 280	1 864
D	<b>PROFIT AFTER TAX</b> (± C - X.)	<b>61 971</b>	<b>10 810</b>

Date: Budapest, June 7, 2019



Shiv Kumar Walia  
Managing Director



## **I. 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	Subramanian Gopalakrishnan	Bejoy Joseph George
Maidenhead, Berkshire	Gautam Buth Nagar A-58 Sector 50	Wiesenu 44.
Lanrivain Ascot Road	ATS Greens 2. Flat 5103	DE 60323 Frankfurt
GB SL62HT	IN 201301 Nodia	

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, 2018 to March 31, 2019.

The date of preparation of the Balance Sheet is May 10, 2019.

### **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)

31.03.2018      31.03.2019

#### a) Fixed assets

##### Gross value of fixed assets

Description	Movements in thousand HUF				
	Opening	Increase	Low value	Decrease	Closing
Computer equipment	85 367	131 439	2 184	2 184	216 806
Assets in course of construction	5 043	12 724	0	5 043	12 724
<b>Total tangible assets</b>	<b>90 410</b>	<b>144 163</b>	<b>2 184</b>	<b>7 227</b>	<b>229 530</b>

##### Depreciation of tangible assets

Description	Movements in thousand HUF				
	Opening	Increase	Low value	Decrease	Closing
Computer equipment	15 301	37 798	2 184	2 184	53 099
<b>Total tangible assets</b>	<b>15 301</b>	<b>37 798</b>	<b>2 184</b>	<b>2 184</b>	<b>53 099</b>

Net value of computer equipment	75 109	176 431
<b>Total</b>	<b>75 109</b>	<b>176 431</b>

#### b) Inventories

Good for sale	8 062	9 465
<b>Total</b>	<b>8 062</b>	<b>9 465</b>

#### c) Receivables

Trade debtors	183 487	163 100
Loss of value of trade debtors	-257	-10 273
Receivables against employees	1 963	452
Advances to trade suppliers	930	0
Receivables against group companies	30 943	238 078
<b>Total</b>	<b>217 066</b>	<b>391 357</b>

#### d) Cash

HUF current account at Deutsche Bank	249 883	343 991
<b>Total</b>	<b>249 883</b>	<b>343 991</b>

#### e) Accrued and deferred assets

Prepaid insurance fee	0	6 451
Accrued IT service expenses	4 682	19 084
Unbilled receivables	12 341	26 060
<b>Total</b>	<b>17 023</b>	<b>51 595</b>

01.04.2017-    01.04.2018-  
31.03.2018    31.03.2019

*j) Total sales*

Revenue from domestic sales	341 041	598 224
Revenue from foreign sales	114 849	122 785
<b>Total</b>	<b>455 890</b>	<b>721 009</b>

*k) Material-type expenditures*

Office supplies	410	205
Legal advisory	3 904	88
Bookkeeping	2 236	3 518
Payroll service fee	2 910	2 714
Other outsourced services (project related costs)	14	80
Rental expenses	0	411
Marketing expenses	150	0
IT services	149 050	297 437
Telecommunication costs	846	324
Travel expenses	9 192	4 446
Cost of goods sold	11 334	145 382
Intermediated services	57 102	18 933
Membership fees	5	5
Bank charge	3 270	3 951
<b>Total</b>	<b>240 423</b>	<b>477 494</b>

*l) Payments to personnel*

Gross salary	118 434	112 370
Payroll related taxes	7 389	17 017
<b>Total</b>	<b>125 823</b>	<b>129 387</b>

*l) Depreciation*

Lump sum depreciation	12 255	2 184
Depreciation	14 230	37 798
<b>Total</b>	<b>26 485</b>	<b>39 982</b>

*m) Other expenditures*

Provision for bad debts	257	10 016
Correction of previous years	20	0
Loans receivable written-off	0	858
Late interest paid	0	524
Withholding tax paid abroad	0	0
Local business tax	8 883	11 508
<b>Total</b>	<b>9 160</b>	<b>22 906</b>

*n) Financial revenues*

Realized exchange gain	19 219	14 696
Non-realized exchange gain	9 672	0
<b>Total</b>	<b>28 891</b>	<b>14 696</b>

	<u>01.04.2017-</u> <u>31.03.2018</u>	<u>01.04.2018-</u> <u>31.03.2019</u>
<b>o) Financial expenditures</b>		
Interest expenditure on loan from HCL EAS Ltd.	7 175	9 630
Interest paid to bank	123	613
Realized exchange loss	8 341	36 558
Unrealized exchange loss	0	6 462
<b>Total</b>	<b>15 639</b>	<b>53 263</b>

**p) Taxation**

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

	<u>31.03.2018</u>	<u>31.03.2019</u>
Total revenues	484 781	735 706
Total expenditures	417 530	723 032
<b>Profit before taxation</b>	<b>67 251</b>	<b>12 674</b>
Tax base increasing item	32 804	50 024
- Depreciation according to the Act on Accounting	26 485	39 982
- Provision for bad debt	257	10 016
- Expenses not supported by documentation	20	26
- Proportional part of interest exceeding equity three times	6 042	0
Tax base decreasing item	41 387	41 985
- Depreciation according to the Act on Corporate income tax	26 485	39 982
- Bad debt	51	2 003
- Utilization of previous years' losses	14 851	0
Corporate income tax base	58 668	20 713
Corporate income tax (10%, 19% in previous year, 9% in current year)	5 280	1 864
<b>Usable taxes paid abroad</b>	<b>0</b>	<b>0</b>
<b>Corporate income tax (10%, 19% in previous year, 9% in current year)</b>	<b>5 280</b>	<b>1 864</b>
Tax base for minimum tax (2% of total revenues)	9 696	14 714
Minimum tax (10%, 19% in previous year, 9% in current year) - not applied	873	1 324
<b>Profit after tax</b>	<b>61 971</b>	<b>10 810</b>

**q) Wages and staff number**

The company had 10 employees in the business year and 2 employees in the preceding business year. The average number of expat employees at the Company was 1 in the business year and 8 both in the preceding business year.

**r) Ratios**

	<u>31.03.2018</u>	<u>31.03.2019</u>
Ratio of Current assets (Current assets/Total assets)	83,76%	76,69%
Liquidity ratio (Current assets/Current liabilities)	1.01	1.00
Return on Equity (Profit before taxes/Equity)	93,49%	15,32%