

*This is a translation into English of the statutory auditor's report on the financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.*

*This statutory auditor's report includes information required by French law, such as the verification of the management report and other documents provided to the sole shareholder. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

## **HCL Technologies France**

Year ended March 31, 2018

### **Statutory auditor's report on the financial statements**

ERNST & YOUNG et Autres



## HCL Technologies France

Year ended March 31, 2018

### Statutory auditor's report on the financial statements

To the Sole Shareholder of HCL Technologies France,

#### Opinion

In compliance with the engagement entrusted to us by decision of the sole shareholder, we have audited the accompanying financial statements of HCL Technologies France for the year ended March 31, 2018.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at March 31, 2018 and of the results of its operations for the year then ended in accordance with French accounting principles.

#### Basis for Opinion

##### Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

##### Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from April 1, 2017 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in the French Code of Ethics (*Code de déontologie*) for statutory auditors.

### **Justification of Assessments**

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you that, in our professional judgment, the most significant assessments we made were related to the appropriateness of the accounting policies used.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

### **Verification of the Management Report and of the Other Documents Provided to the Sole Shareholder**

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the President's management report and in the other documents provided to the sole shareholder with respect to the financial position and the financial statements.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 of accounting unless it is expected to liquidate the Company or to cease operations.

The financial statements were approved by the President.

### **Statutory Auditor's Responsibilities for the Audit of the Financial Statements**

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards 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 financial statements.





As specified in Article L. 823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his 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.

Obtains 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 internal control.

Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.

Assesses 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. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Paris-La Défense, July 23, 2018

The Statutory Auditor  
*French original signed by*  
ERNST & YOUNG et Autres

Fabienne Eckerlein

## Balance Sheet - Assets

	Gross	Amortisation Depreciation	Net 31/03/2018	Net 31/03/2017
Uncalled subscribed capital				
<b>FIXED ASSETS</b>				
<b>Intangible assets</b>				
Start-up costs				
Research and development costs				
Concessions, patents, licenses, TM, software, similar rights	1 038 096,57	522 174,41	515 923,00	439 179,69
Goodwill (1)	2 650 351,00	134 914,06	2 515 436,94	3 077 128,81
Other intangible assets	598 740,80		598 740,80	
Advance payments on intangible assets				
<b>Tangible assets</b>				
Land				
Buildings				
Technical fixtures, fittings, plant machinery and equipment				
Other tangible assets	6 826 787,46	2 574 460,75	4 252 326,71	2 611 414,10
Tangible assets in progress				
Advance payments on tangible assets				
<b>Financial assets (2)</b>				
Equity investments				
Other investments				
Receivables from investments				
Fixed assets securities for investments				
Loans				
Other financial assets	286 251,33		286 251,33	161 416,59
<b>TOTAL FIXED ASSETS</b>	<b>11 400 227,16</b>	<b>3 231 549,22</b>	<b>8 168 677,94</b>	<b>6 289 139,19</b>
<b>CURRENT ASSETS</b>				
<b>Inventories and work in progress</b>				
Raw materials and other supplies				
Work in progress (goods and services)	17 804,67		17 804,67	26 004,22
Semi-finished and finished goods				
Goods for resale	1 568 192,82		1 568 192,82	766 970,97
<b>Suppliers - advance payments on orders</b>	<b>160 492,49</b>		<b>160 492,49</b>	<b>75 812,47</b>
<b>Receivables (3)</b>				
Trade accounts receivable	39 943 090,06	15 142,00	39 927 948,06	42 969 177,34
Other accounts receivable	1 495 446,41		1 495 446,41	1 237 979,65
Subscribed capital - called and unpaid				
<b>Other current assets</b>				
Short-term investment securities				
Cash				6 376 639,58
Prepaid expenses (3)	1 284 394,26		1 284 394,26	687 000,72
<b>TOTAL CURRENT ASSETS</b>	<b>44 469 420,71</b>	<b>15 142,00</b>	<b>44 454 278,71</b>	<b>52 139 584,95</b>
Deferred debt issuance costs				
Bond redemption premiums				
Unrealised foreign exchange losses	437 001,75		437 001,75	96 987,49
<b>TOTAL ASSETS</b>	<b>56 306 649,62</b>	<b>3 246 691,22</b>	<b>53 059 958,40</b>	<b>58 525 711,63</b>
(1) Including lease rights				
(2) Of less than one year (gross)				
(3) Of more than one year (gross)				

## Balance Sheet - Liabilities

	31/03/2018	31/03/2017
<b>EQUITY</b>		
Share capital	2 516 000,00	2 516 000,00
Share, merger, contribution premiums	215 047,87	215 047,87
Revaluation reserve		
Legal reserve	209 983,00	86 394,00
Statutory or contractual reserves		
Regulated reserves		
Other reserves		
Retained earnings	3 989 649,02	1 641 464,00
<b>PROFIT OR LOSS FOR THE YEAR</b>	<b>3 083 229,47</b>	<b>2 471 774,16</b>
Investment grants and subsidies		
Tax-driven provisions		
<b>TOTAL EQUITY</b>	<b>10 013 909,36</b>	<b>6 930 680,03</b>
<b>OTHER EQUITY</b>		
Income from participating shares		
Conditional advances		
<b>TOTAL OTHER EQUITY</b>		
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>		
Provisions for liabilities	449 519,25	721 764,72
Provisions for charges		
<b>TOTAL PROVISIONS FOR LIABILITIES AND CHARGES</b>	<b>449 519,25</b>	<b>721 764,72</b>
<b>LIABILITIES (1)</b>		
Convertible debenture loans		
Other debenture loans		
Loans from credit institutions (2)	1 608 535,83	579,69
Other loans and financial debt (3)	10 997 363,96	11 357 470,63
Advance payments received on orders in progress	3 411,36	170 795,00
Trade accounts payable	16 762 264,42	29 256 766,10
Tax and social liabilities	9 087 841,97	8 338 986,62
Trade accounts payable - fixed assets		
Other accounts payable	447 713,60	11 010,91
Deferred income (1)	3 187 403,01	964 505,05
<b>TOTAL LIABILITIES</b>	<b>42 094 534,15</b>	<b>50 100 114,00</b>
Unrealised foreign exchange gains	501 995,64	773 152,88
<b>TOTAL LIABILITIES</b>	<b>53 059 958,40</b>	<b>58 525 711,63</b>
(1) Of more than one year (a)		
(1) Of less than one year (a)	42 091 122,79	49 929 319,00
(2) Including cash credits and bank overdrafts	1 608 535,83	579,69
(3) Including equity loans		
(a) With the exception of advance payments received on orders in progress		

## Income Statement

	France	Exports	31/03/2018	31/03/2017
<b>Operating income (1)</b>				
Sale of goods purchased for resale				
Sale of finished goods				
Services provided	56 365 848	36 340 218	92 706 066	82 796 979
<b>Net income</b>	<b>56 365 848</b>	<b>36 340 218</b>	<b>92 706 066</b>	<b>82 796 979</b>
Change in inventory of produced goods and services			-35 927	122 224
Capitalised production costs				
Operating grants and subsidies				
Reversal of provisions ( and amortisation), transfer of charges			747 842	702 956
Other income			1 487 501	462
<b>Total operating income (I)</b>			<b>94 905 481</b>	<b>83 622 621</b>
<b>Operating expenses (2)</b>				
Purchases of goods for resale				
Change in inventory of goods for resale				
Purchases of raw materials and other supplies				
Change in inventory of raw materials and other supplies				
Other purchases and external charges (a)			64 747 251	59 344 767
Taxes, duties, and similar levies			857 541	413 775
Salaries and wages			14 534 908	11 783 490
Social security contributions			6 977 743	5 498 278
Amortisation / depreciation expenses :				
- On fixed assets : depreciation / amortisation			1 575 581	1 017 541
- On fixed assets : impairment			112 452	22 462
- On current assets : impairment			15 142	43 117
- Provision for liabilities and charges			449 519	627 669
Other expenses			655 793	26 884
<b>Total operating costs (II)</b>			<b>89 925 930</b>	<b>78 777 984</b>
<b>OPERATING PROFIT OR LOSS (I-II)</b>			<b>4 979 552</b>	<b>4 844 637</b>
<b>Profit and loss sharing from joint ventures</b>				
<b>Allocated profit or transferred loss(III)</b>				
<b>Allocated loss or transferred profit (IV)</b>				
<b>Financial income</b>				
Investment income (3)				
Income from securities and financial fixed assets (3)				
Other interest and financial income (3)			19	6 550
Reversal of financial provisions and transfer of charges			94 095	291 346
Realised foreign exchange gains			156 412	590 713
Net profit on disposal of short-term investments				
<b>Total financial income (V)</b>			<b>250 527</b>	<b>888 608</b>
<b>Financial expenses</b>				
Depreciation / amortisation and provision expenses				94 095
Interest and similar charges (4)			282 248	87 333
Realised foreign exchange losses				772 060
Net loss on disposal of short-term investments				
<b>Total financial expenses (VI)</b>			<b>282 248</b>	<b>953 488</b>
<b>FINANCIAL PROFIT OR LOSS (V-VI)</b>			<b>-31 721</b>	<b>-64 880</b>
<b>RECURRING PROFIT OR LOSS before tax (I-II+III-IV+V-VI)</b>			<b>4 947 831</b>	<b>4 779 757</b>

## Income Statement (continued)

	31/03/2018	31/03/2017
<b>Non-recurring income</b>		
Non-recurring operating income		
Non-recurring income from disposal of fixed assets		
Non-recurring reversal of depreciation, provisions and transfer of charges		
<b>Total non-recurring income (VII)</b>		
<b>Non-recurring expenses</b>		
Non-recurring operating expenses		
Non-recurring expenses from disposal of fixed assets		
Non-recurring depreciation/amortisation and provisions expenses		
<b>Total non-recurring expenses (VIII)</b>		
<b>NON RECURRING PROFIT OR LOSS (VII-VIII)</b>		
Employee profit-sharing (IX)	533 698	661 679
Corporate income tax (X)	1 330 903	1 646 304
<b>Total income (I+III+V+VII)</b>	<b>95 156 008</b>	<b>84 511 229</b>
<b>Total expenses (II+IV+VI+VIII+IX+X)</b>	<b>92 072 778</b>	<b>82 039 455</b>
<b>NET PROFIT OR LOSS</b>	<b>3 083 229</b>	<b>2 471 774</b>
(a) Including :		
- Equipment finance lease charges		
- Property finance lease charges		
(1) Including income relating to prior year		
(2) Including expenses relating to prior year		
(3) Including income from related entities		
(4) Including interest from related entities		



**Accounting policies**

Company name: HCL TECHNOLOGIES FRANCE SAS

Notes to the balance sheet before allocation for the financial year ended 31/03/2018, totalling 53 059 958 euros and to the income statement for the financial year, presented as a list, showing a profit of 3 083 229 euros.

The financial year is of 12 months, covering the period 01/04/2017 to 31/03/2018.

The notes and tables below are an integral part of the financial statements.

The financial statements have been prepared by the management of the entity.

**Accounting policies**

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The financial statements for the year ended 31/03/2018 have been prepared in accordance with the regulations of the French Accounting Standards Authority no. 2016-07 dated 26th December 2016 , and updated by subsequent rules.

The financial statements have been prepared in line with the principle of prudence and in compliance with the basis assumptions:

- going concern,
- consistency of accounting methods from one year to the next,
- independence of financial years.

and in accordance with the general rules for the preparation and presentation of the financial statements.

The valuation method used is the historical costs method.

Only material information is presented. Amounts are in euros unless otherwise indicated.

**Tangible and intangible assets**

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Tangible and intangible assets have been evaluated at their acquisition cost for assets which have been purchased, at their production cost for assets produced by the company, and at their market value for assets which have been traded or given for free.

The cost of a fixed asset consists of :

- its purchase price, including customs duties and non-refundable taxes, after deduction of discounts, commercial rebates and cash discounts
- including all directly attributable costs incurred in the installation and commissioning of the asset in accordance with its intended use
- including the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located,
- including borrowing costs incurred to finance the acquisition, during the production period of this asset

Transfer duties, fees or commissions and legal expenses related to the acquisition, are not included in the acquisition cost. The costs that are not included in the fixed asset acquisition price and installation costs are recognised as expenses.

**Accounting policies****Depreciation**

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Depreciation charges are calculated on a straight-line basis over the expected life of the asset.

- \* Software: 3 years in linear
- \* General fixtures and fittings: 7 years
- \* Office equipment: 4 to 5 years
- \* IT equipment: 4 to 5 years
- \* Furniture: 7 years

For simplification, the depreciation period applied is the useful life for non-decomposable assets.

The company has estimated, at year closing, the existence of indicators showing that assets may have lost significant value, considering internal and external information available.

**Accounting policies****Stock**

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The purchase cost of the stock consists of the purchase price, customs fees and other taxes, excluding subsequently retrievable taxes from the tax administration by the entity, as well as transport fees, handling costs and other costs directly attributed to the cost price of raw materials, goods, ongoing production or finished products. Commercial discounts, rebates, cash discounts and other similar elements are deducted to determine the purchase cost.

The stock is estimated with the first in, first out method. For practical reasons, except for significant differences, the last known purchase price is used.

A stock depreciation equal to the difference between the gross value, determined using the methodology above and the present value, or realisable value after deduction of sale fees, is taken into account when this gross value is superior to the chosen other value.

**Goodwill**

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Goodwill is composed of the acquisition of securities.

Goodwill is used for the maintenance and development of the company's potential activity. These funds are considered as unlimited in their duration of use. In accordance with regulation ANC N°2015-06, they are not amortized, however, depreciation tests are carried out on an annual basis.

An amortization of goodwill is performed as required, in order to bring the goodwill value in line with both the lowest carrying value and the fair value.

The fair value of goodwill has been verified by comparing have been tested by comparing the capital used by the relevant activities with the enterprise value estimated on the basis of discounting future cash flow operations.

Depreciation tests carried out 31 March 2018 resulted in any additional depreciation of €112.452 of the company's goodwill ; hence the total amount of depreciation of €134.914.

The acquisition costs of inventories include the purchase price, customs duties, and other taxes, excluding recoverable taxes, as well as transport, handling, and other costs directly attributable to the production cost of raw materials, goods, work in progress and finished products. Commercial rebates, reductions, cash discounts and other similar items are deducted from the acquisition costs.

**Receivables**

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Receivables are measured at their nominal value. Loss in value allowance is applied if the net realizable value is less than the book value.

**Provisions**

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Provisions are booked for any current company obligations resulting from past events involving third parties that may be estimated on a sufficiently reliable basis and cover identified risks.

## Accounting policies

**Loan issue costs**

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Loan issue costs are booked immediately as expenses for the financial year.

**Foreign currency transactions**

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If an asset is purchased in a foreign currency, the conversion rate used is the exchange rate on the entry date or, where appropriate, the hedge exchange rate if the hedge was entered into before the transaction. The expenses incurred to set up hedges are also included in the acquisition cost.

Payables, receivables, cash, and cash equivalents in foreign currencies are recorded in the balance sheet at their equivalent value at the year-end exchange rate. The difference resulting from the discounting accounts payable and receivable in foreign currencies at this exchange rate is recognised in the balance sheet as an unrealised foreign exchange gain or loss.

Unrealised foreign exchange losses that are not compensated are covered by a provision for risks, for the total amount, in accordance with French accounting rules.

**Recognition of revenues and related costs**

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Turnover is recognized as follows:

- The provision of consulting and outsourcing services on the basis of "time and resources": projects invoiced on an hourly basis and the resources applied for carrying them out. Billing is based on hours reported by engineers assigned to the project.
- The provision of services on a "set price" basis: recognition of turnover based on contractually preestablished projects' steps. Client's confirmation leads to invoicing and to revenue recognition.

**Retirement benefits**

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The collective bargaining agreement of the company provides for retirement indemnities. A special agreement was not signed.

The retirement indemnity benefit is determined by applying a method based on projected end-of career salaries at retirement, employee turnover rate, life expectancy, and discounting assumptions on the expected payments.

The following actuarial assumptions are made:

- Discount rate: Courbe Eur Composite AA, edited by Bloomberg on March 31st 2018
- Wage increase rate: 2 %
- Retirement age: between 65 and 67 years old, according to the starting date of first job
- Staff turnover rate: unique 9.88% rate with a zero-rate hypothesis above 60 years
- Mortality rate table: table INSEE 2013-2015
- Social charges rate : 49%

**Competitiveness and employment tax credit (CICE)**

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The company benefits from a tax credit amounting to €117.723 at 31 March 2018. This credit will be deducted from any company income tax due.

The tax credit is used primarily for the financing of working capital requirements, and will contribute to the efforts of the company in financing, research, innovation, training, recruitment and prospecting for new markets.

In accordance with the recommendation of the Accounting Standards Authority, the revenue from the competitiveness and employment tax credit (CICE) corresponding to the financial year for an amount of 117 723 euros was credited to account 648 - Personnel expenses - CICE.

This CICE income recognised at the closing date, reduces the operating expenses

The amount of the definitive CICE receivable for the calendar year is deducted from the corporation tax due for that financial year, whereas the theoretical CICE accrued at the closing date will be allocated to the corporation tax for the following financial year.

## Exchange profits and losses

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The currency exchange income can be booked either in operational income or financial income depending on the operations which generated it. Thus, profits and losses on exchange rate variations of commercial receivables and liabilities will be booked as operational income. Exchange rate risk on these elements are in fact linked to operational activity in the same way as, for example, depreciations on commercial receivables already booked as operational income.

For this purpose, a sub-account of the 65 category "other daily management expenses" and its equivalent in the 75 category are created. The items "profits and losses on exchange" appearing in financial income are dedicated to operations having financial characteristics (foreign currency loans, foreign currency cash ...).

Specificities related to the presentation of exchange profits and losses are mentioned in articles 946-65, 946-66, 947-75, 947-76 of the ANC rules n°2014-03.



## Notes to the balance sheet

**Fixed assets****Table of fixed assets**

	A l'ouverture	Augmentation	Diminution	A la clôture
<b>Valeurs brutes</b>				
Immobilisations incorporelles	3 765 895	521 294		4 287 188
Immobilisations corporelles	3 909 325	2 922 332	4 870	6 826 787
Immobilisations financières	161 417	124 835		286 251
<b>Total</b>	<b>7 836 637</b>	<b>3 568 461</b>	<b>4 870</b>	<b>11 400 227</b>
<b>Amortissements &amp; provisions :</b>				
Immobilisations incorporelles	249 586	407 503		657 088
Immobilisations corporelles	1 297 911	1 280 530	3 981	2 574 461
<b>Total</b>	<b>1 547 497</b>	<b>1 688 033</b>	<b>3 981</b>	<b>3 231 549</b>
<b>ACTIF NET</b>				<b>8 168 678</b>

Flows are analysed as follows:

	Intangible Assets	Tangible Assets	Financial Assets	Total
<b>Breakdown of additions</b>				
Transfers between accounts				
Transfers from current assets				
Acquisitions	521 294	2 922 332	124 835	3 568 461
Contributions				
Creations				
Revaluations				
<b>Increases during the year</b>	<b>521 294</b>	<b>2 922 332</b>	<b>124 835</b>	<b>3 568 461</b>
<b>Breakdown of disposals</b>				
Transfers between accounts				
Transfers to current assets				
Sales		4 870		4 870
Scissions				
Discontinued				
<b>Decreases during the year</b>		<b>4 870</b>		<b>4 870</b>

## Notes to the balance sheet

***Intangible assets*****Goodwill**

	31/03/2018
Purchased elements	2 650 351
Re-evaluated elements	
Contributed elements	
<b>Total</b>	<b>2 650 351</b>

Goodwill impairment 134 914 euros

***Financial assets***

Financial assets mostly consist of lease deposits.

***Current assets******Accounts receivable***

Total receivables at year closing amount to 43 009 182 euros and is broken down by date of maturity as follows:

	Gross amount	Maturity of less than one year	Maturity of more than one year
<b>Fixed asset receivables :</b>			
Receivables from investments			
Loans			
Other	286 251		286 251
<b>Current asset receivables:</b>			
Trade accounts receivable	39 943 090	39 943 090	
Other	1 495 446	1 495 446	
Subscribed capital—uncalled, unpaid			
Prepaid expenses	1 284 394	1 284 394	
<b>Total</b>	<b>43 009 182</b>	<b>42 722 931</b>	<b>286 251</b>
Loans granted during the year			
Loans repaid during the year			

## Notes to the balance sheet

**Accrued income**

	Amount
Clients - prod non facturés	329 211
CLIENTS FAE-SHORT TERM	10 011 684
<b>Total</b>	<b>10 340 895</b>

**Equity****Share capital composition**

Share capital amounts to 2 516 000,00 euros broken down into 2 516 000 shares with a nominal value of 1,00 euros.

	Number	Nominal value
Number of shares at year opening	2 516 000	1,00
Shares issued during the year		
Shares reimbursed during the year		
Number of shares at year closing	2 516 000	1,00

**Allocation of net income for previous year**

General meeting decision of 25/08/2017.

	Amount
Retained earnings – year opening	1 641 464
Net income for the previous year	2 471 774
Deductions from reserves	
<b>Origins total</b>	<b>4 113 238</b>
Allocations to reserves	123 589
Dividends paid	
Other distributions	
Retained earnings	3 989 649
<b>Allocations total</b>	<b>4 113 238</b>

## Notes to the balance sheet

**Statement of changes in equity**

	Balance as at 01/04/2017	Allocation of profit or loss	Increase	Decrease	Balance as at 31/03/2018
Share capital	2 516 000				2 516 000
Share premiums	215 048				215 048
Legal reserve	86 394	123 589	123 589		209 983
Retained earnings	1 641 464	2 348 185	2 348 185		3 989 649
Profit or loss for the year	2 471 774	-2 471 774	3 083 229	2 471 774	3 083 229
<i>Dividends</i>					
<b>Total Equity</b>	<b>6 930 680</b>		<b>5 555 003</b>	<b>2 471 774</b>	<b>10 013 909</b>

**Provisions****Table of provisions**

	At year opening	Additions for the year	Reversals used for the year	Reversals surplus for the year	At year closing
Disputes	627 669	12 517	627 669		12 518
Customer guarantees accorded					
Losses on futures markets					
Fines and penalties					
Foreign exchange losses	94 095	437 001	94 095		437 002
Pensions and similar obligations					
Taxes					
Renewal of fixed assets					
Major maintenance and renovation work					
Accrued social and tax contributions on paid leave					
Other provisions for liabilities and charges					
<b>Total</b>	<b>721 765</b>	<b>449 518</b>	<b>721 764</b>		<b>449 519</b>
<b>Breakdown of additions and reversals</b>					
Operating		449 519	627 669		
Financial			94 095		
Non-recurring					

Provision for disputes mainly relates to penalties due to a service level agreement with one of HCL's customers.

## Notes to the balance sheet

**Liabilities*****Liabilities***

Total liabilities at year closing amounts to 42 091 123 euros broken down by date of maturity as follows:

	Gross amount	Maturity of less than one year	Maturity between one & five years	Maturity of more than five years
Convertible debenture loans (*)				
Other debenture loans (*)				
Loans (*) and borrowing from credit institutions including:				
- of less than one year from origin	1 608 536	1 608 536		
- of more than one year from origin				
Other loans and financial debt (*) (**)	10 997 364	10 997 364		
Trade accounts payable	16 762 264	16 762 264		
Tax and social liabilities	9 087 842	9 087 842		
Trade accounts payable-fixed assets				
Other debt (**)	447 714	447 714		
Deferred income	3 187 403	3 187 403		
<b>Total</b>	<b>42 091 123</b>	<b>42 091 123</b>		
(*) Loans subscribed during the year				
(*) Loans reimbursed during the year	394 590			
(**) Including shareholder loans				



## Notes to the balance sheet

**Accrued expenses**

	Amount
Accrued expenses/account payables	2 352 608
Accrued expenses/account payables	30 500
Accrued expenses / Group	44 131
Accrued interests	124 154
Accrued paid holiday	1 405 086
Increment Prov. Liability	4 803
Dettes Bonus	1 147 807
Profit sharing	533 698
Other expenses to pay	320 236
Employee expenses	3 672
Social charges on paid holiday	646 340
Apprenticeship tax	24 547
Training tax	40 090
Effort construction	76 177
ADESATT	722
Rebates to be regularized	224 208
Social charges on bonus	527 996
Social charges on increment	106 740
State - accrued expenses	426 789
<b>Total</b>	<b>8 040 303</b>

**Cut-off accounts****Prepaid expenses**

	Operating expenses	Financial expenses	Non-recurring expenses
Charges constatées d avance	1 284 394		
<b>Total</b>	<b>1 284 394</b>		

**Deferred income**

	Operating Income	Financial Income	Non-recurring Income
Produits constatés d avance	3 187 403		
<b>Total</b>	<b>3 187 403</b>		

## Notes to the income statement

**Revenues****Breakdown by geographic market**

	31/03/2018
Export	36 340 218
France	56 365 848
<b>TOTAL</b>	<b>92 706 066</b>

**Remuneration of account auditors**

Account certification fees: 36 140 euros.

**Income and corporate income tax**

The amount of net income tax, including the CICE tax rebate of 117 722 euros, is 1 213 180 euros.

**Income tax breakdown**

	Résultat avant Impôt	Impôt correspondant (*)	Résultat après Impôt
+ Résultat courant (**)	4 947 831	1 213 180	3 734 651
- Participations des salariés	533 698		533 698
<b>Résultat comptable</b>	<b>4 414 133</b>	<b>1 213 180</b>	<b>3 083 229</b>
(*) comporte les crédits d'impôt (et à ce titre le CICE)			
(**) Majoré du montant du CICE			
(montant repris de la colonne "Impôt correspondant")			

## Notes to the income statement

**Deferred tax assets and liabilities**

The unrealised tax situation, given a corporate tax rate of 33 1/3%, shows a future tax receivable for an amount of 388 018 euros. This amount does not include any payment of additional social contributions on profits.

	Amount
<b>Deferred tax liabilities</b>	
Related to other items	
<b>Deferred tax assets</b>	
Related to provisions and non-deductible accrued expenses for the year	1 164 054
Related to other items	
<b>B. Total</b>	<b>1 164 054</b>
<b>Deferred tax assets estimate</b>	<b>388 018</b>
Base = (A - B - C - D)	
Corporate income tax rate is 33 1/3 %	

## Other information

**Subsequent events**

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No significant event has occurred since the end of the financial year.

**Headcount**

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Average headcount: 223 persons.

	Employees on payroll	Outsourced and other personnel
Executives	220	
Supervisors and technicians		
Employees	3	
Workers		
<b>Total</b>	<b>223</b>	

**Identification of the parent company consolidating the financial statements**

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Corporate name : HCL TECHNOLOGIES Limited

Legal form : limited company

Address of head office :

806 Siddharth, 95 Nehru Place, New Delhi  
110019 India

**Retirement benefits**

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Retirement benefits : €964.141 as at 03/31/2018.