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Ernst & Young Accountants LLP
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HCL Technologies B.V. (Netherlands)
Attn. Mr. Subramanian Gopalakrishnan
Prinses Margrietplantsoen 50, unit E9.02
2595 BR DEN HAAG

Eindhoven, 5 July 2018 REQ2592675/ps

Dear Mr. Gopalakrishnan,

Please find enclosed a copy of the annual report of HCL Technologies B.V. (Netherland) for the financial year ended 31 March 2018 that has been initialed for identification purposes, and our auditor's report thereon dated 5 July 2018.

We confirm our permission to include the auditor's report in copies of the annual report for the financial year ended 31 March 2018, provided that they are identical to the enclosed copy that been initialed for identification purposes.

We have enclosed one copy of our auditor's report with an original handwritten signature. This copy is meant for your own filing purposes. The other copy of our report states the name of our firm and the name of the responsible audit partner but without an original handwritten signature. We kindly request you to include the included copy of the auditor's report without handwritten signature in the version of the annual report that will be published.

We confirm our permission to publish our auditor's report, without a handwritten signature, as included in the section Other information of the enclosed annual report (signed for identification purposes), subject to adoption of the annual report, without modification, by the general meeting and on the condition that filing with the Trade Register of the Chamber of Commerce takes place within the legal deadline. Publication of our auditor's report is only allowed together with the corresponding complete set of the annual report.

If you wish to publish the annual report and our auditor's report on the Internet, it is your responsibility to ensure proper separation of the annual report from other information on the website. For example, by presenting the annual report as a separate, read-only file, or by issuing a warning if readers switch from the web page containing the annual report (You are now leaving the secure page containing the audited annual report.). A copy of the annual report is to be signed by the board of managing directors and should be presented to the shareholders. The annual report should be adopted by the general meeting and adoption should be recorded in the minutes.

If prior to the general meeting circumstances arise that require a modification to the annual report, please note that under Section 2: 362 sub 6 of the Dutch Civil Code such modifications should be made prior to the general meeting. In this situation, of course, we withdraw our permission granted above.

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The annual report needs to be filed with the Trade Register of the Chamber of Commerce in The Hague no later than eight days after adoption by the general meeting and prior to 31 March 2019. To prevent the abuse of signatures we recommend to have one copy of the documents signed by the board of managing directors for your files and to file a version without handwritten signatures with the Trade Register of the Chamber of Commerce. The date of adoption by the general meeting must be recorded on the documents that are published with the Trade Register of the Chamber of Commerce.

Please note that it's legally required to file the annual report with the Trade Register of the Chamber of Commerce and non-compliance is an offence punishable by law. In certain situations by not complying with the publication requirements could even lead to personal liability for the board of managing directors.

Furthermore, we wish to point out to you that, as per the date on which the dividend is made payable, the managing board is required to assess, with due observance of the information then available, whether the company will, following dividend payments, be able to continue to pay its exigible debts. Should dividends be paid and the company turn out at a later stage, following and owing to the dividend payments, to be unable to continue to pay its exigible debts, the managing directors may be held jointly or severally liable for payment to the company of the deficit created by the dividend payments if they knew or should have foreseen at the time when the dividend was made payable that such situation would arise owing to the dividends payments.

Yours sincerely,
Ernst & Young Accountants LLP

P.A.E. Dirks

Initialed for identification purposes:

Enclosures: Annual report initialed for identification purposes
Signed auditor's report for your files
Original unsigned auditor's report to be included with the documents for publication
Information sheet "Publication of auditor's report"

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Independent auditor's report

To: the shareholder and the board of managing directors of HCL Technologies B.V. (Netherland)

Report on the audit of the financial statements

Our opinion
We have audited the financial statements for the year ended 31 March 2018 of HCL (Netherlands) B.V., based in The Hague.

In our opinion the accompanying financial statements give a true and fair view of the financial position of HCL Technologies B.V. (Netherland) for the year ended 31 March 2018, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:
- The balance sheet as at 31 March 2018;
- The profit and loss account for the year then ended;
- The notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion
We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the Our responsibilities for the audit of the financial statements section of our report.

We are independent of HCL Technologies B.V. (Netherland) in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

Report on other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual accounts contains other information that consists of:
- The directors' report;
- Other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:
- Is consistent with the financial statements and does not contain material misstatements;
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the directors' report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities for the financial statements

Responsibilities of management for the financial statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements 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. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements
Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud.

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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.,:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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
- Obtaining 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
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Concluding 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

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report to the related disclosures in the 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 a company to cease to continue as a going concern
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

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

Eindhoven, 5 July 2018

Ernst & Young Accountants LLP

P.A.E. Dirks

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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 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 a company to cease to continue as a going concern
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- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

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

Eindhoven, 5 July 2018

Ernst & Young Accountants LLP

Signed by P.A.E. Dirks

2017-18 Annual report

of HCL Technologies B.V. (Netherland)

Address: Prinses Margrietplantsoen 50,unit E9.02
's- Gravenhage

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Table of contents

Director's report

Total number of pages in this report: 20

1 Directors' report

I. Business development and environment

Core business and review
HCL Technologies B.V. (Netherland) ("the Company") is a wholly owned subsidiary of HCL Technologies UK Limited, United Kingdom. The Company forms part of the HCL group, and the ultimate parent company is HCL Technologies Limited registered in India.

The Company is active in the sectors of software-led IT solutions, externally controlled infrastructure management.

Annual yield
During the financial year the turnover of the Company has increased to € 77,444,784 in comparison to € 16,835,825 in the previous financial year. Due to increase in revenue, the profit margin has increased as compared to the previous financial year . The annual profit amounted to € 2,535,402.

II. Company situation

Financial situation

Fixed assets and depreciation
The depreciation was conducted according to the linear depreciation method. Deductions are recorded pro-rata for acquisitions and disposals. For the financial year, the depreciation amounted to € 12,768 (2016/17: € 181).

Share Capital in FY 2017/18
As on March 31, 2018, the capital stock and capital surplus together amount to € 100,000.

Cash flow
During the financial year there was net cash inflow of NIL (2016/17: net cash inflow of € 210,088). The main reason for decrease in cash inflow in comparison to last year, is due to the increase in Receivables.

Ratios:
The solvency ratio and current ratio of the company as on 31 March 2018 is 0.08 and 1.07 (2016/2017: 0.15 and 1.16) respectively.

Performance development

Development of sales: Satisfactory development of sales due to the strong market conditions.

Development of costs: The operating costs increased commensurate to the overall business of the Company.

Development of profits: The profits before taxes amounted to € 3,403,207. After income taxes, there was a profit for the financial year of € 2,535,402.

Personnel

Number and structure of employees
For the financial year, the average number of employees were 426 which comprised of 375 men and 51 women in the Company (2016/17: 115).

Personnel guidelines
The Company is obligated to treat all employees with equality, independent of sex, race, color, handicap or family status. The Company offers continuing education and training for handicapped employees. If the handicap occurs after entering the Company, the Company is obligated to continue employing this individual and adequately qualifying this employee. The Company is also obligated to regularly communicate relevant internal news and decisions. If decisions are made that affect the employees, the employees' opinions will be considered during the decision process.

Risks influencing development
The software industry is continuing to grow in a dynamic and strongly competitive environment. This sector is characterized by fast technological changes and innovations that constantly challenge the existing and conventional business models.

Dependencies/concentrations
The group led by the parent company, HCL Technologies Ltd. in India, which HCL Technologies B.V. (Netherland) belongs to, maintains a broad customer base to ensure the independence from individual clients, special services, or geographical factors.

Human resources
Keeping with the parent Company, the Company approved an initiative by the name of "Employee first". Together with other measures, the goal of this initiative is to make the Company an attractive employer.

Principal risks and uncertainties
The software industry thrives on a dynamic and highly competitive business environment, characterised by rapid technological changes and innovations that constantly challenge the conventional business models. The Company faces several business risks, of which prominent ones are discussed below along with the Company's strategy to mitigate these risks:

1. Technology related risks

Risk
The Company operates in an ever evolving and dynamic technology environment and it is of utmost importance that the Company continuously reviews and upgrades its technology, resources and processes to avoid obsolescence.

HCL Group strategy
The Company is not dependent on any single technology or platform. It has developed competencies in various technologies, platforms and operating environment and offers wide range of technology options to clients to choose from for their needs.

2. Competition related risks

Risk
The overall market growth is slowing and more and more competitors are vying with each other for market share. The line is diminishing between the traditional IT services players and non-traditional players. Now the customers have more choices of technology, vendors and service models which force every entity to perform to their best capabilities and to enhance them.

HCL Group strategy
The Company has been quick to respond to the changing competitive dynamics. Our business model is increasingly shifting from the traditional outsourcing to a non-linear model and growth is being triggered by the alternative outsourcing approach.

3. Business continuity & information security

Risk

The Company is dealing in maintaining, developing and operating time critical Business and IT applications for various customers and any catastrophe may halt business activities and cause irreparable damage to the brand reputation of the Company. Similarly, the vital need for confidentiality and security of confidential data both belonging to clients as well as the Company itself also pose risks of leaks, loss or compromise of information.

HCL Group strategy

The Company has put in place a comprehensive business continuity program to ensure that it meets its business continuity and disaster recovery related requirements. There is also an Information Security team to assess and manage the information security and data privacy and related risks by leveraging on People, Processes & Technology

Risk Appetite and Management.

As part of its risk management measures, the Company is continually monitoring the most common risk associated with the software industry i.e. frequent changes in technologies. In the Company's opinion, company is well versed to adopt the changes in technologies via research and development which is done centrally by the parent company. Hence, adoption of changes in technologies offers adequate coverage for the financial consequences of the Company's business. The financial impact of this risk can't be quantified.

Further, ultimate holding company i.e. HCL Technologies Limited will provide financial support (if required) to HCL Technologies B.V. (Netherland) to meet any of its financial liability. The Company believes that the support from the parent company also offers adequate coverage to finance its current and future financial obligations.

Research and Development

As the Company has the function of a sales office, the research and development is done centrally by HCL Technologies Limited.

III. Prognosis of future development

The Directors believe that future profits will be created through the positive business development. In order to sustain the business operations, the parent company is obligated to provide financial support if needed. The company will focus on three catogeries of service for development of business :

Software Services : Information Technology ("IT") services such as custom application development and maintenance, technology services, product engineering, and package implementation.

Infrastructure Services : Infrastructure related IT enabled services such as Remote Infrastructure Management ("RIM"), data center operations, end user computing, network management, and security management.

Business Process Outsourcing Services : IT enabled services such as technical helpdesk, back office services, transaction processing, and call center services.

Below are the brief out look on business:

1. Outlook on R&D :

The research and development is done centrally by the parent company, HCL Technologies Ltd.

2. Outlook on business (e.g. expectation of sales, customers, etc.), including but not limited to:

The Company has strong customer base in the Netherlands and primarily having 44 active engagements with the well known customers.

Many of the engagements are pan European in nature so delivering services to multiple countries within EU region. As Netherlands is conveniently located within EU region and given its strong economic performance, is a good hub for our growth in EU region. Plus, in order to service clients in the region, the Company will invest in a local talent pool more as opposed to delivering from global delivery centers. The Company requires significant amount of local consulting capability and program management capability to manage such large client engagements. The Company has recently started the process to set-up a small delivery center in The Hague to service the clients across the region in the new wave of "Customer Experience Service Delivery" and to help clients to become more digitized organizations.This will create more employment opportunities in the region and will ultimately lead more jobs in the local market. Immediately, we do anticipate new jobs to be fulfilled from the local market either through direct recruitment or on a contract basis from our local partners.

2.1 Strategy of financing and expected or planned future financing

The Company may require investment funds mostly on two fronts – operational expense of the company and sales/marketing investments.

2.2 Strategy of human resources and expected or planned future changes to human resources

The Company is expecting to have growth in the business in Netherland as well as in EU regions, hence it is expected that more employment opportunities may result in the company.

2.3 Known future circumstances which significantly influence the profitability or recoverability

The Company is consistently growing year on year and also expecting good business opportunities which will result not only in growth of the company but also growth of the region. The company is focusing on the following:

- Engagement of local talent people more as opposed to delivering from global delivery centers.
- Significant amount of local consulting capability and program management capability need to be added to our overall portfolio
- To pursue and explore inorganic means to acquire capability to meet our revenue goals and also capability objectives

The Board of Managing Directors

Bejoy George | Shiv Walia | Manish Anand | Subramanian Gopalakrishnan

HCL Technologies B.V. (Netherland),

Date:

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FINANCIAL STATEMENTS

For the financial year 01-04-2017 to 31-03-2018

2. Balance sheet as at March 31, 2018

All amounts in € after appropriation of result

Assets

		March 31, 2018	March 31, 2017
Fixed assets			
Tangible fixed assets	Note (1)	192,626	12,176
Financial fixed assets	Note (2)	95,417	31,104
		288,043	43,270
Current assets			
Receivables	Note (3)	47,808,236	8,313,474
Inventories	Note (4)	242,026	1,600
Cash at bank	Note (5)	-	210,088
Total assets		48,338,305	8,568,442

Shareholder's equity and liabilities

		March 31, 2018	March 31, 2017
Shareholder's equity	Note (6)		
Share capital		100,000	100,000
Retained earnings		3,678,381	1,142,979
		3,778,381	1,242,979
Current liabilities	Note (7)	38,304,511	5,275,463
Short term borrowing		6,255,413	2,050,000
Total shareholder's equity and liabilities		48,338,305	8,568,442

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3. Profit and loss account
for the financial year ended March 31, 2018

		March 31, 2018	March 31, 2017
Net turnover	Note (8)	77,444,784	16,835,825
Cost of Sales	Note (9)	(46,639,944)	(6,161,330)
Total operating income		30,804,840	10,674,495
Wages and salaries	Note (10)	(22,921,827)	(8,154,476)
Depreciation		(12,768)	(181)
General cost	Note (11)	(4,280,215)	(1,208,048)
Total operating expenses		(27,214,810)	(9,362,705)
Financial income and (expense)	Note (12)	(186,822)	(84,706)
Profit before taxation		3,403,208	1,227,084
Income taxes	Note (13)	(867,806)	(306,158)
Net profit		2,535,402	920,926

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4. Statement of Cash Flows

for the financial year ended March 31, 2018

	March 31, 2018	March 31, 2017
Operating activities		
Profit before tax	3,403,208	1,227,084
Adjustments to reconcile net income with net cash provided by operating activities:		
-Depreciation and amortization	12,768	181
- interest expenses	73,630	-
-income tax paid	(341,207)	(306,158)
- Change in receivables	(36,821,202)	(4,263,022)
-Change in inventories	(240,426)	(1,600)
-Changes in current/ non current assets	(2,737,885)	(1,439,955)
- Change in long term and short term liabilities	32,428,830	3,918,108
Net cash used in operating activities	(4,222,284)	(865,362)
Investing activities		
- Purchase of fixed assets	(193,217)	(12,357)
Net cash flow from investing activities	(193,217)	(12,357)
Financing activities		
-Proceed from Short term loan	4,205,413	800,000
Net cash flow from financing activities	4,205,413	800,000
Change in cash	(210,088)	(77,719)
Cash at beginning of financial year	210,088	287,807
Cash at end of financial year	-	210,088

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5 Notes to the Financial Statements

General

The Company forms part of the HCL group, the ultimate parent is HCL Technologies Ltd. at Uttar Pradesh, India. HCL Technologies B.V. registered at Prinses Margrietplnts 50, unit E9.02 's-Gravenhage is a wholly owned subsidiary of HCL Technologies UK limited, United Kingdom.

The registration number of HCL Netherlands B.V. is 58805206.

Basis for preperation of the Financial Statements

(i) The financial statements are prepared in accordance with Part 9 of Book 2 of the Dutch civil code.

(ii) The current year figures are comparable to those of previous year.

(iii) The reporting and functional currency of the company is Euro.

Accounting Policies

(iv) Use of estimates

The preparation of financial statements in conformity with Dutch GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Examples of such estimates include estimates of expected contract costs to be incurred to complete software development, provision for doubtful debts and estimated useful life of fixed assets. Actual results could differ from these estimates. Any revision in accounting estimates is recognised prospectively in current and future periods.

(v) Fixed assets

Fixed assets are stated at the cost of acquisition including incidental costs related to acquisition and installation.

Fixed assets under construction and cost of assets not ready for use at the year-end are disclosed as capital work- in-progress.

(vi) Depreciation of fixed assets

Depreciation of fixed assets is provided on the straight-line method based on estimated useful lives as estimated by the management. Depreciation is charged on pro-rata basis for assets purchased / sold during the year.

Category of asset	Useful life (Years)
Computer and Networking equipment	4 to 5

(vii) Operating Leases

Lease payments under an operating lease are recognised as an expense in the profit and loss account on straight – line basis over the lease term.

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(viii) Revenue recognition

Revenue from software services comprises income from time and material and fixed price contracts. Revenue with respect to time and material contracts is recognized as related services are performed. Revenue from fixed price contracts and fixed time frame contracts is recognized in accordance with the percentage completion method under which the sales value of performance, including earnings thereon, is recognized on the basis of cost incurred in respect of each contract as a

proportion of total cost expected to be incurred. 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 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.

Earnings in excess of billing are classified as unbilled revenues, while billing in excess of earnings are classified as unearned revenue. Incremental revenue from existing contracts arising on future sales of the customers' products will be recognized when it is earned. Revenue and related direct costs from transition services in outsourcing arrangements are deferred and recognized over the period of the arrangement. Certain upfront non-recurring costs incurred in the initial phases of outsourcing contracts and contract acquisition costs, are deferred and amortized usually on a straight line basis over the term of the contract. The Company periodically estimates the undiscounted cash flows from the arrangement and compares it with the unamortized costs. If the unamortized costs exceed the undiscounted cash flow, a loss is recognized.

The Company accounts for volume discounts and pricing incentives to customers. The discount terms in the Company's arrangements with customers generally entitle the customer to discounts, if the customer completes a specified level of revenue transactions. In some arrangements, the level of discount varies with increases in the levels of revenue transactions. The Company recognizes discount obligations as a reduction of revenue based on the ratable allocation of the discount to each of the underlying revenue transactions that result in progress by the customer toward earning the discount.

Revenues are shown net of sales tax; value added tax, service tax and applicable discounts and allowances. The revenue is recognized net of discounts and allowances.

(ix) Expenditure

Expenses are accounted for on the accrual basis and provisions are made for all known losses and liabilities. The cost of services for software development is charged to profit and loss account in the same year.

(x) Foreign exchange transactions

Foreign exchange transactions are recorded at the exchange rates prevailing at the date of transaction. Foreign currency Realised gains and losses on foreign exchange transactions are recognised in the profit and loss account. Foreign currency monetary assets and liabilities are translated at the financial year end rate whereas non monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction and resultant gains/losses on foreign exchange translations are recognised in the profit and loss account.

(xi) Employee benefits

The Company and employees contribute to the social security scheme in accordance with the local statutory requirements. The employees of the Company are entitled to compensated absences. The Company records an obligation for compensated absences in the period in which the employee renders the service that increase this entitlement. The Company measures the expected cost of compensated absence as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet

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(xii) Pension

The Company has defined contributory pension plans covering all its employees. Pension obligations are funded through annual premiums.

(xiii) Taxation

Company tax is calculated at the applicable rate on the result for the financial year, taking into account permanent differences between profit calculated according to the financial statements and profit calculated for taxation purposes, and with which deferred tax assets (if applicable) are only valued in so far as their realisation is likely. The Deferred tax is on account of difference in written down value of fixed assets due to different rates prescribed in Companies act and income tax act.

(xiv) Provisions and Contingent liabilities

A provision is recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

(xv) Inventory

Stock-in-trade, stores and spares are valued at the lower of the cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Cost of stock-in-trade procured for specific projects is assigned by identifying individual costs of each item. Cost of stock-in-trade, that are interchangeable and not specific to any project and cost of stores and spare parts are determined using the weighted average cost formula.

(xvi) Risks

- Financial risk management

The Company's operations expose it to a variety of financial risks that include foreign exchange rate risks, credit risks and liquidity risks. The group has adequate controls in place that seek to minimise the adverse effects of these financial risks on the company's financial performance.

- Foreign exchange rate risk

Foreign exchange rate risk arises from future commercial transactions and recognised assets and liabilities that are denominated in a currency that is not the company's functional currency. Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Exchange differences arising on the settlement of monetary items, or on reporting such monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

- Credit risk

The Company has no significant concentrations of credit risk as the company has a large number of customers base. It has policies in place to ensure that the provisions of consulting services are made to renowned customers or those with an appropriate credit history. The company also has policies and procedures in place for the control and monitoring of its credit risk. The company has a dedicated team for the close follow up for realisation from the customers and adequate provision for doubtful debts is created wherever required as per group policy. During the year there was no significant amount identified for which the company is required to create the provision.

- Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and short term bank deposits. The Directors do not see any significant liquidity risk involved. The company's liquidity risk is further mitigated through the availability of financing from its ultimate parent undertaking.

(xvii) Notes to offsetting

Assets and liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis to realize the assets and settle the liabilities simultaneously.

(xviii) Notes to the statement of cash flows

The Company applies the indirect method. The statement of cash flows is derived from the profit and loss account and other changes between the opening and closing balance sheets, eliminating the effect of currency translation differences.

(xvix) Transactions with related parties

Transactions with related parties are assumed when a relationship exists between the Company and a natural person or entity that is affiliated with the Company. This includes, amongst others, the relationship between the Company and its subsidiaries, shareholders, directors and key management personnel.

There have been no transactions with related parties that have not been carried on normal market terms.

Notes to the balance sheet as at 31 March 2018

Fixed assets (1)

a) Tangible fixed assets

	March 31, 2018	March 31, 2017
Machinery and equipment	152,570	1,272
	152,570	1,272

Movements in these items were as follows:

	Machinery and equipment	
	March 31, 2018	March 31, 2017
Opening acquisition cost	1,453	-
New acquisitions for the year	164,066	1,453
Disposal for the year	-	-
Closing acquisition cost	165,519	1,453

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Opening accumulated depreciation	(181)	-
Disposal for the year	-	-
Depreciation for the year	(12,768)	(181)
Closing accumulated depreciation	(12,949)	(181)
Net Block	152,570	1,272

Tangible fixed assets are:

- Valued at purchase price less accumulated depreciation;
- Depreciated linearly with a fixed percentage of the purchased price, based on the estimated economoic lifetime.

b) Capital Work in Process

	March 31, 2018	March 31, 2017
Computer	40,056	10,904
	40,056	10,904

Financial fixed assets (2)

	March 31, 2018	March 31, 2017
Deferred Cost	68,929	31,094
Deposits	26,488	-
Deferred tax assets	-	10
	95,417	31,104

Receivables (3)

	March 31, 2018	March 31, 2017
Trade Receivable	24,687,199	3,295,641
Amount receivables from group companies	18,582,612	3,152,968
Other amount receivables	4,538, 425	1,864,865
	47,808,236	8,313,474

Other receivables can be broken down as follows:

	March 31, 2018	March 31, 2017
Unbilled receivables	2,648,847	1,249,547
Employee receivables	110,519	96,862
Advance to supplier	37,371	3,111
Deferred cost	1,477,499	402,538
Prepaid expenses	198,084	1,207
Deposits	39,293	15,684
Finance lease receivable	-	57,498
Other current assets	26,812	38,418
	4,538,425	1,864,865

Inventory (4)

	March 31, 2018	March 31, 2017
Finished goods	242,026	1,600
	242,026	1,600

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Cash at Bank (5)

	March 31, 2018	March 31, 2017
Cash at bank	-	210,088
	-	210,088

There are no restrictions on the availability of cash and cash equivalents. These are readily available.

Shareholder's equity (6)

	Share Capital	Retained Earnings	Total
Balance at April 1, 2017	100,000	1,142,979	1,242,979
Profit for the year 2017/18	-	2,535,402	2,535,402
Balance at March 31, 2018	100,000	3,678,381	3,778,381

Current liabilities (7)

	March 31, 2018	March 31, 2017
Trade creditors/suppliers	1,401,194	132,754
Amounts payable to group companies	23,416,074	1,992,577
Taxes and social security contributions	4,873,566	796,093
Deferred tax liability	22,521	-
Other and accrued liabilities	8,591,156	2,354,039
	38,304,511	5,275,463

For amounts payable to group companies there is no interest rate, nor securities is received against the payable.
All the amounts in deferred tax liability is of current nature.

The taxes and social security charges payable recognised in the balance sheet can be broken down as follows:

	March 31, 2018	March 31, 2017
VAT payable	3,462,468	303,876
Payroll tax	467,701	138,901
Social security contribution	34,570	-
Pension payable	112,059	60,615
Corporate income tax payable	796,768	292,701
	4,873,566	796,093

The other and accrued liabilities recognised in the balance sheet can be broken down as follows:

	March 31, 2018	March 31, 2017
Accrued employee cost and vacation	258,645	244,714
Accrued bonus	799,120	311,178
Provision and accruals	2,021,349	141,922
Deferred revenue	3,319,302	587,427
Other Current Liabilities	2,192,740	1,068,798
	8,591,156	2,354,039

Notes to the Profit and loss account

Net turnover (8)

	For the financial year ended March 31, 2018		
	Third Parties	Inter-Company	Total
Standard software services	54,031,592	22,875,905	76,907,497
Sale of goods	537,287	-	537,287
	54,568,879	22,875,905	77,444,784

	For the financial year ended March 31, 2017		
	Third Parties	Inter-Company	Total
Standard software services	9,188,775	7,647,050	16,835,825
Sale of goods	-	-	-
	9,188,775	7,647,050	16,835,825

Geographical wise revenue for the financial year ended March 31, 2018 is as below:

Geography	For the financial year ended March 31, 2018	For the financial year ended March 31, 2017
America	1,415,519	632,675
Europe	71,450,805	14,806,735
India	4,380,440	1,156,033
Others	198,020	240,382
	77,444,784	16,835,825

Cost of Sales (9)

	For the financial year ended March 31, 2018	For the financial year ended March 31, 2017
Consulting charges group	35,036,541	4,130,146
Consulting charges Others	10,765,269	2,024,763
Cost of goods sold	590,797	6,421
Annual maintenance charges	155,932	-
Hosting charges	91,405	-
	46,639,944	6,161,330

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Wages and salaries (10)

	For the financial year ended March 31, 2018	For the financial year ended March 31, 2017
Wages and salaries	20,408,596	7,349,469
Social Security contributions	2,513,231	805,007
	22,921,827	8,154,476

The wages & salary charges recognised in the statement of Profit & loss can be broken down as follows

Wages and Salaries

	For the financial year ended March 31, 2018	For the financial year ended March 31, 2017
Wages & salary	19,460,812	6,967,799
Bonus	947,784	381,670
	20,408,596	7,349,469

Social Security contribution

	For the financial year ended March 31, 2018	For the financial year ended March 31, 2017
Long term employee benefits	1,801,026	630,006
Other benefits	251,624	87,796
Staff welfare	460,581	87,205
	2,513,231	805,007

General Cost (11)

	For the financial year ended March 31, 2018	For the financial year ended March 31, 2017
Travel cost	2,554,878	767,130
Establishment & maintenance	413,447	25,993
Communication	46,010	7,802
Marketing Cost	16,492	87
Miscellaneous Expense	208,157	33,164
Other operating expense	1,029,089	373,872
Bad debt write off	12,142	-
	4,280,215	1,208,048

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The other opertaing expense recognised in the statement of Profit & loss can be broken down as follows:

Other operating expenses

	For the financial year ended March 31, 2018	For the financial year ended March 31, 2017
Legal & professional costs	428,845	249,978
Other administration & general costs	291,686	-
Audit Fee	35,000	-
Recruitment fees	273,558	123,894
	1,029,089	373,872

Interest & other Income (12)

	For the financial year ended March 31, 2018	For the financial year ended March 31, 2017
Gain on foreign exchange fluctuation	(85,169)	-
Interest income	19	-
	(85,150)	-

Interest & other expense (12)

	For the financial year ended March 31, 2018	For the financial year ended March 31, 2017
Interest on short term loan	78,950	68,377
Bank charges	22,722	4,484
Loss on foreign exchange fluctuation	-	11,845
	101,672	84,706

Income taxes (13)

The tax charge in the profit and loss account can be broken down as follows:

	For the financial year ended March 31, 2018	For the financial year ended March 31, 2017
Taxes on profit for the financial year	845,274	306,168
Deferred tax	22,532	(10)
	867,806	306,158

The effective tax rate for the financial year is 24.84% (2016/17: 24.95%).

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Workforce (14)

The average number of staff employed by the company in 2017/18 was 426 (2016/17: 115) comprises of 375 men and 51 women and all employees are located in the Netherlands.

Equity interests (15)

(Ultimate) Parent company

HCL Technologies Limited, is the ultimate parent company of HCL Technologies B.V. (Netherland) and includes the financial data of HCL Technologies B.V. (Netherland) in its consolidated financial statements.

Commitments and contingencies (16)

Operating leases – the company as lessee

The Company has a rent agreement concerning five office buildings with an annual rent of € 141,653 ; € 94,104 ; € 79,464 ; € 32,508 and € 14,448. The rent is indexed yearly, the remaining duration of this agreement are 2 ; 3 ; 16 ; 16 and 14 months respectively.

The Company has concluded operating leases as lessee relating to Office Premises. The future minimum lease payments can be broken down as follows:

	March 31, 2018	March 31, 2017
Less than 1 year	177,049	-
Between 1 and 5 years	42,140	-
More than 5 years	-	-
Total	219,189	-

The Company has a rent agreement concerning parking spaces with an annual rent of € 18,000 The rent is indexed yearly, the remaining duration of this agreement is 16 months.

Other commitments not shown in the balance sheet

No guarantees have been issued by the Company for members of the Board of Managing Directors, its group companies or subsidiaries.

All commitments to related parties are included in the balance sheet.

Audit fees (17)

The costs of the Company for the external auditor, the audit organisation and the entire network to which the audit organisation belongs charged to the financial year are set out below:

	Ernst and Young Accountants LLP	Other than Ernst and Young Accountants LLP
Audit of Financial statements	35,000	-
Total	35,000	-

Subsequent Events (18)

The Company has evaluated all the subsequent events through .... , which is the date on which these financial statements were issued, and no events have occurred from the balance sheet date through that date that would have material impact on the financial statements.

6 Other information

Articles of Association provisions governing profit appropriation

In accordance with the Company's Articles of Association the result is at the disposal of the Shareholder's meeting. The Company can only distribute profits to its' shareholder and other entitled entities, as far as Shareholder's equity exceeds the total of the issued and paid-up share capital together with the statutory and legal reserves. The proposal is to add current period's results to the retained earnings and this is already processed as such in the financial statements.

The Board of Managing Directors

Bejoy George	Shiv Walia	Manish Anand	Subramanian Gopalakrishnan

Date:

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Publication of auditor's report

1 Conditions

Authorization to publish the auditor's report is granted subject to the following conditions:

- Further consultation with the auditor is essential if, after this authorization has been granted, facts and circumstances become known which materially affect the view given by the financial statements.
- The authorization concerns inclusion of the auditor's report in the annual report to be tabled at the Annual General Meeting (hereafter AGM) incorporating the financial statements as drawn up.
- The authorization also concerns inclusion of the auditor's report in the annual report to be filed with the Trade Registrar, provided consideration of the financial statements by the AGM does not result in any amendments.
- Financial statements for filing at the offices of the Trade Registrar which have been abridged in accordance with Section 397 of Book 2 of the Dutch Civil Code must be derived from the financial statements adopted by the AGM and a draft version of these financial statements for filing purposes must be submitted to us for inspection.
- The auditor's report can also be included if the financial statements are published electronically, such as on the internet. In such cases, the full financial statements should be published and these should be easily distinguishable from other information provided electronically at the same time.
- If the published financial statements are to be included in another document which is to be made public, authorization to include the auditor's report must again be granted by the auditor.

2 Explanations to the conditions

2.1 Board of supervisory directors and board of executive directors

The auditor usually forwards his report to the board of supervisory directors and to the board of executive directors. This is pursuant to Book 2 of the Dutch Civil Code, section 393 which stipulates inter alia: "The auditor sets out the outcome of his examination in a report". "The auditor reports on his examination to the board of supervisory directors and the board of executive directors".

2.2 Annual General Meeting (AGM)

Publication of the auditor's report will only be permitted subject to the auditor's express consent. Publication is understood to mean: making available for circulation among the public or to such group of persons as to make it tantamount to the public. Circulation among shareholders or members, as appropriate, also comes within the scope of the term "publication", so that inclusion of the auditor's report in the annual report to be tabled at the AGM similarly requires authorization by the auditor.

2.3 Auditor's reports and financial statements

The authorization concerns publication in the annual report incorporating the financial statements that are the subject of the auditor's report. This condition is based on the auditors' rules of professional practice, which state that the auditor will not be allowed to authorize publication of his report except together with the financial statements to which this report refers.
The auditor will also at all times want to see the rest of the annual report, since the auditor is not allowed to authorize publication of his report if, owing to the contents of the documents jointly published, an incorrect impression is created as to the significance of the financial statements.

2.4 Events between the date of the auditor's report and the AGM

Attention should be paid to the fact that between the date of the auditor's report and the date of the meeting at which adoption, as appropriate, of the financial statements is considered, facts or circumstances may have occurred which materially affect the view given by the financial statements. Under COS 560, the auditor must perform audit procedures designed to obtain sufficient audit evidence to ensure that all events occurring before the date of the auditor's report that warrant amendment of or disclosure in the financial statements have been identified.

If the auditor becomes aware of events that may be of material significance to the financial statements, the auditor must consider whether those events have been adequately recognized and sufficiently disclosed in the notes to the financial statements. If between the date of the auditor's report and the date of publication of the financial statements, the auditor becomes aware of a fact that may have a material impact on the financial statements, the auditor must assess whether the financial statements should be amended, discuss the matter with management and act as circumstances dictate.

2.5 Trade Registrar

The financial statements are tabled at the AGM (legal entities coming within the scope of Title 9 of Book 2 of the Dutch Civil Code table the directors' report and the other information as well). The AGM considers adoption of the financial statements. Only after the financial statements have been adopted, do they become the statutory (i.e., the company) financial statements. As a rule, the statutory financial statements will be adopted without amendment. The auditor's report must be attached to the statutory financial statements as part of the other information. As a rule, the text of this report will be the same as that issued earlier. The documents to be made public by filing at the offices of the Trade Registrar will consist of the statutory financial statements, the directors' report and the other information. The auditor's report which refers to the unabridged financial statements will then have to be incorporated in the other information. If consideration of the financial statements by the AGM does not result in any amendments, the auditor's report may be attached to the financial statements adopted, by the AGM and, provided the annual report and financial statements are filed promptly at the offices of the Trade Registrar, published as part of these annual report and financial statements.

2.6 Other manner of publication

The financial statements may also be published other than by filing at the offices of the Trade Registrar. In that event, too, inclusion of the auditor's report is permitted, provided the financial statements are published in full. If publication concerns part of the financial statements or if the financial statements are published in abridged form, publication of any report the auditor has issued on such financial statements will be prohibited, unless:

a. He has come to the conclusion that, in the circumstances of the case, the document concerned is appropriate
   Or
b. Based on legal regulations, publication of the document concerned is all that is required

If less than the full financial statements are published, further consultation with the auditor is essential. If the financial statements and the auditor's report are published on the internet, it should be ensured that the financial statements are easily distinguishable from other information contained on the internet site. This can be achieved, for example, by including the financial statements as a separate file in a read-only format or by including a warning message when the reader exits the financial statements document.

2.7 Inclusion in another document

If the published financial statements are to be included in another document which is to be made public, this is considered a new publication and authorization must again be obtained from the auditor. An example of this situation is the publication of an offering circular which includes the financial statements, after these financial statements have been filed at the office of the Trade Registrar together with the other annual reports. For each new publication, authorization must again be obtained from the auditor.

2.8 Events after the AGM

Even if facts and circumstances have become known after the adoption of the financial statements as a result of which they no longer give the statutory true and fair view, the auditor must stand by the report issued on the financial statements as adopted and by the auditor's report filed at the offices of the Trade Registrar. In that event, the legal entity is required to file a statement at the offices of the Trade Registrar on these facts and circumstances accompanied by an auditor's report. In this situation, too, further consultation with the auditor is essential.