



AUDITOR'S REPORT (Translation of the Finnish original)

To the Annual General Meeting of HCL Technologies Finland Oy

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of HCL Technologies Finland Oy (business identity code 2589763-5) for the year ended 31 March, 2019. The financial statements comprise the balance sheet, income statement and notes.

In our opinion, the financial statements give a true and fair view of the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of Financial Statements* section of our report. We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors is also responsible for such internal control as they determine 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, the Board of Directors is responsible for assessing the company's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the company or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance on whether the 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 good auditing practice will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

- Identify and assess the risks of material misstatement of the 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 the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give 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.

Other reporting requirements

Other information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed, we conclude that there is a material misstatement of the report of the Board of Directors, we are required to report that fact. We have nothing to report in this regard.

Helsinki 25.6.2019

Ernst & Young Oy
Authorized Public Accountant Firm

Sanna Kytöharju
Authorized Public Accountant

HCL Technologies Finland Oy
Keilaranta 6
02150 Espoo
2589763-5

HCL Technologies Finland Oy

FINANCIAL STATEMENT

1.4.2018–31.3.2019

Financial Statement must be stored at least until 31.12.2029
Vouchers of the period must be stored until 31.12.2025

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HCL Technologies Finland Oy
2589763-5

Annual report 1.4.2018-31.3.2019

The year 2018-2019 in brief

HCL Technologies Finland Oy operates in IT consulting business.

The company's turnover during this financial period was 64,1 million which was 77% higher than during previous financial period (36,2 m). This increase of turnover was due to new contracts entered during the financial period.

The operational profit of the financial period was 4,2 million compared to 2,0 million during the previous financial period.

Estimate of the future development

The company is expecting demand of its services to be stable during financial year 2019-2020.

Business development depends on new contracts and there are normal business risks involved.

Major risks and uncertainties

The management sees no major risks or uncertainties.

Financial items

| (millions of euros) | 2019 | 2018 | 2017 |
|-----------------------|-------|--------|--------|
| Turnover | 64,1 | 36,2 | 9,8 |
| Operating profit | 4,29 | 2,07 | 0,7 |
| Operating profit % | 6,7 % | 5,7 % | 7,3 % |
| Return on equity | 86 % | 90 % | 55 % |
| Self-sufficiency rate | 5,5 % | 15,6 % | 20,9 % |

Personnel

| Average number of personnel | 2019 | 2018 | 2017 |
|-----------------------------|---------------------|---------------------|---------------------|
| Employees | 68 | 52 | 46 |
| Personnel expenses | 2019 | 2018 | 2017 |
| Wages and salaries | 4 302 736,88 | 3 458 257,57 | 3 142 607,87 |
| Pension costs | 659 439,38 | 541 824,35 | 494 859,64 |
| Other social costs | 150 853,58 | 37 739,87 | 84 731,36 |
| TOTAL | 5 113 029,84 | 4 037 821,79 | 3 722 198,87 |

Significant events after the financial period

There are no significant events after the financial period.

Research and development

There are no R&D costs during the financial period.

Related party loans and liabilities

| Loans given to group companies | Amount in EUR 31.3.2019 | Rate of interest | Loan period |
|-----------------------------------|----------------------------|------------------|-------------|
| HCH Technologies Romania S.R.L. | 1 050 000,00 | LIBOR +1% | 12 months |
| HCH Technologies (Taiwan) Limited | 178 040,00 | LIBOR +1% | 12 months |
| | 1 228 040,00 | | |

Organisation, management and auditors

The company is wholly owned by HCL Technologies UK, Ltd.

During the financial period the directors have been Mr Subramanian Gopalakrishnan, Mr Bejoy George and Mr Shiv Walia.

Ernst & Young Oy has acted as a responsible auditing company.

Shares

The company has 100.000 equity shares of 1 euro each.

The board of directors suggestion on dividends and retained earnings

The board suggests that no dividends will be paid and the result shall be booked in the retained earnings account.

Profit and Loss Statement

| | 1.4.2018–31.3.2019 | | 1.4.2017–31.3.2018 | |
|---|----------------------|----------------------------|----------------------|----------------------------|
| TURNOVER | 64 110 042,87 | | 36 272 036,13 | |
| Raw materials and services | | | | |
| Purchase of raw material | 310,00 | | 26 249,18 | |
| External services | <u>50 787 914,19</u> | 50 788 224,19 | <u>29 474 019,65</u> | 29 500 268,83 |
| Personnel expenses | | | | |
| Wages and salaries | 4 302 736,88 | | 3 458 257,57 | |
| Other personnel expenses | | | | |
| Pension expenses | 659 439,38 | | 541 824,35 | |
| Other personnel expenses | <u>150 853,58</u> | <u>5 113 029,84</u> | <u>37 739,87</u> | <u>4 037 821,79</u> |
| Depreciations | | 2 527 413,39 | | 18 212,89 |
| Other operating expenses | | 1 389 381,93 | | 642 647,65 |
| OPERATING PROFIT (LOSS) | | 4 291 993,52 | | 2 073 084,97 |
| Financial income and expenses | | | | |
| From group companies | 1 228,04 | | | |
| From others | 97 688,20 | | 30 715,18 | |
| Interest expenses and other financial expenses | | | | |
| To others (–) | <u>-291 166,28</u> | <u>-192 250,04</u> | <u>-36 320,84</u> | <u>-5 605,66</u> |
| PROFIT (LOSS) BEFORE APROPRIATIONS AND TAXES | | 4 099 743,48 | | 2 067 479,31 |
| Income taxes | | | | |
| Income taxes | -823 328,00 | | -415 295,74 | |
| Deferred taxes | 26,00 | <u>-823 302,00</u> | | <u>-415 295,74</u> |
| PROFIT (LOSS) FOR THE FINANCIAL YEAR | | <u>3 276 441,48</u> | | <u>1 652 183,57</u> |

Balance Sheet

| | 31.3.2019 | 31.3.2018 |
|--|-----------------------|----------------------|
| Assets | | |
| NON-CURRENT ASSETS | | |
| Intangible assets | | |
| Other intangible assets | 758 117,95 | 27 583,13 |
| Tangible assets | | |
| Machinery and equipment | 40 112 029,73 | 38 331,86 |
| Non-Current assets total | 40 870 147,68 | 65 914,99 |
| CURRENT ASSETS | | |
| Stocks | | |
| Finished products | 424 015,96 | 1 365,20 |
| Accrued income | | |
| Long term prepayments and accrued income | 8 022 701,00 | 105 419,63 |
| Short-term receivables | | |
| Trade receivables | 41 199 414,28 | 5 525 459,33 |
| Receivables from group companies | 12 936 947,77 | 1 624 103,16 |
| Other receivables | 6 061 664,48 | 3 040 710,25 |
| Prepaid expenses and accrued income | 6 171 454,21 | 45 948,64 |
| Cash in hand and at banks | 0,00 | 9 484 469,54 |
| Current assets total | 74 816 197,70 | 19 827 475,75 |
| Assets total | 115 686 345,38 | 19 893 390,74 |

Equity and liabilities SHAREHOLDERS' EQUITY

| | | | |
|-----------------------------------|--------------|---------------------|---------------------|
| Share capital | | | |
| Share capital | 100 000,00 | | 100 000,00 |
| Retained earnings (loss) | 3 019 913,25 | | 1 367 729,68 |
| Profit (loss) for financial year | 3 276 441,48 | 6 396 354,73 | 1 652 183,57 |
| Shareholders' equity total | | 6 396 354,73 | 3 119 913,25 |

LIABILITIES

| | | | |
|--|---------------|-----------------------|----------------------|
| Long-term liabilities | | | |
| Long-term loans from credit institutions | 20 000 000,00 | | 0,00 |
| Advances received | 2 282 303,41 | 22 282 303,41 | 0,00 |
| Short-term liabilities | | | |
| Loans from credit institutions | 12 846 801,34 | | 0,00 |
| Trade payables | 5 981 803,21 | | 292 358,23 |
| Amount owed to group companies | 46 493 689,57 | | 14 390 073,72 |
| Other liabilities | 6 528 568,73 | | 833 393,24 |
| Accrued expenses and prepaid income | 15 156 824,39 | 87 007 687,24 | 1 257 652,30 |
| Liabilities total | | 87 007 687,24 | 16 773 477,49 |
| Equity and liabilities total | | 115 686 345,38 | 19 893 390,74 |

NOTES TO THE FINANCIAL STATEMENT

PRINCIPLES FOR DRAWING UP THE FINANCIAL STATEMENT

Holding Company of HCL Technologies Finland Oy is HCL Technologies UK Ltd and ultimate holding company is HCL Technologies Ltd, Delhi India.
HCL Technologies Finland Oy's address is Keilaranta 6, 02150 Espoo.
Consolidated Financial Statement is available at HCL Technologies Ltd, 806, Siddharth, 96 Nehru Place, New Delhi-110019, India, www.HCL.com.

Accounting principles and methods

Trade receivables in current receivables are valued to their nominal value or to a lower anticipated realizable value. Liabilities are valued to their nominal value or to a higher value.

Intangible assests are valued to the acquisition cost in balance sheet deducted by amortization according to plan.

Tangible assests are valued to the acquisition cost in balance sheet deducted by depreciation according to plan.

Licenses are booked to their acquisition cost in balance sheet inventories. Licenses in inventories are aimed to the business during this period with the bookings also to deferred items and advance payments.

Currency and Foreign currency translation

Currency used in the Financial statements is EURO.

Transactions in foreign currencies are recorded at the rates of exchange prevailing at the dates of the individual transactions.

Receivables and liabilities in foreign currencies are recorded using the rates on the closing date.

Depreciation principles and methods

| Particulars | Useful Life |
|--|-------------|
| Computers | 4-5 |
| Leasehold Improvements-Furniture & Fixt. | 7 |
| Office Equipment | 5 |
| Software - Application | 3 |

NOTES TO THE PROFIT AND LOSS STATEMENT

| Depreciations | 2019 | 2018 |
|----------------------|----------------------------|-------------------------|
| Intangible assets | 173 785,44 | 3 982,20 |
| Other machinery | 2 353 627,95 | 14 230,69 |
| | <u>2 527 413,39</u> | <u>18 212,89</u> |

PERSONNEL

Average number of personnel during the financial period

| | 2019 | 2018 |
|-----------|------------------|------------------|
| Employees | 68 | 52 |
| | <u>68</u> | <u>52</u> |

AUDITORS' FEES

| | 2019 | 2018 |
|------------|------------------------|------------------------|
| Audit fees | 1 500,00 | 1 500,00 |
| | <u>1 500,00</u> | <u>1 500,00</u> |

DISTRIBUTION OF TURNOVER BY FIELDS AND GEOGRAPHICAL MARKET AREAS

| | 2019 | 2018 |
|---------------------------|-----------------------------|-----------------------------|
| America | 275 232,36 | 74 025,00 |
| Europe | 63 442 734,62 | 35 819 191,00 |
| Asia and the Pacific Area | 392 075,89 | 378 821,00 |
| | <u>64 110 042,87</u> | <u>36 272 037,00</u> |

NOTES TO THE NON-CURRENT ASSETS

| Intangible assets | 2019 | 2018 |
|--|--------------------|------------------|
| Acquisition cost in the beginning of the period | 31 565,33 | 0,00 |
| Additions | 904 320,26 | 31 565,33 |
| Acquisition cost at end of period | <u>935 885,59</u> | <u>31 565,33</u> |
| Depreciations and decreases | | |
| value in the beginning of the period | -3 982,20 | 0,00 |
| Depreciation of the period | -173 785,44 | -3 982,20 |
| Acc.depreciations and decreases in value at end of per | <u>-177 767,64</u> | <u>-3 982,20</u> |
| Book value at end of period | 758 117,95 | 27 583,13 |

| Machinery and equipment | 2019 | 2018 |
|--|----------------------|------------------|
| Acquisition cost in the beginning of the period | 63 344,06 | 44 638,37 |
| Additions | 42 427 428,74 | 18 705,69 |
| Disposals | -1 690,00 | 0,00 |
| Acquisition cost at end of period | 42 489 082,80 | 63 344,06 |
| Depreciations and decreases | | |
| value in the beginning of the period | -25 012,20 | -10 781,51 |
| Acc.depreciation of disposals | 1 587,08 | 0,00 |
| Depreciation of the period | -2 353 627,95 | -14 230,69 |
| Acc.depreciations and decreases in value at end of per | -2 377 053,07 | -25 012,20 |
| Book value at end of period | 40 112 029,73 | 38 331,86 |

| SHAREHOLDERS' EQUITY | 2019 | 2018 |
|--|---------------------|---------------------|
| Share capital in the beginning of period | 100 000,00 | 100 000,00 |
| Share capital at end of period | 100 000,00 | 100 000,00 |
| Retained earnings in the beginning of period | 3 019 913,25 | 1 367 729,54 |
| Adjustments | 0,00 | 0,14 |
| Retained earnings at end of period | 3 019 913,25 | 1 367 729,68 |
| Profit (Loss) of the period | 3 276 441,48 | 1 652 183,57 |
| Profit (Loss) of the period | 3 276 441,48 | 1 652 183,57 |
| Shareholders' equity | 6 396 354,73 | 3 119 913,25 |

CALCULATION OF THE DISTRIBUTABLE PROFIT ACCORDING TO THE LAW OF LIMITED LIABILITY COMPANIES § 13:5

| | 2019 | 2018 |
|--------------------------------------|---------------------|---------------------|
| Retained earnings | 3 019 913,25 | 1 367 729,68 |
| Profit (loss) for the financial year | 3 276 441,48 | 1 652 183,57 |
| Distributable equity | 6 296 354,73 | 3 019 913,25 |

The funds to share a profit are 6 296 354,73 euros.

NOTES TO THE ASSETS

| Receivables from group companies | 2019 | 2018 |
|---|----------------------|---------------------|
| Amounts owed by group companies | 12 936 947,77 | 1 624 103,19 |
| Receivables from group companies | 12 936 947,77 | 1 624 103,19 |

| Prepaid expenses and accrued income | 2019 | 2018 |
|--|---------------------|------------------|
| Other prepaid expenses | 6 171 454,21 | 45 948,64 |
| Prepaid expenses and accrued income | 6 171 454,21 | 45 948,64 |

NOTES TO THE LIABILITIES

| Long term liabilities | 2019 | 2018 |
|-----------------------------------|-------------|-------------|
| Loans with maturity after 5 years | 0,00 | 0,00 |

| Amount owed to group companies | 2019 | 2018 |
|---------------------------------------|----------------------|----------------------|
| Trade payables | 34 824 929,80 | 13 143 007,28 |
| Other liabilities | 2 704,66 | 818 352,44 |
| Accrued expenses | 11 666 055,11 | 428 714,00 |
| Amount owed to group companies | 46 493 689,57 | 14 390 073,72 |

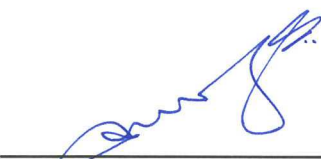
| Accrued expenses and prepaid income | 2019 | 2018 |
|--|----------------------|---------------------|
| Other income advances | 9 279 084,31 | 216 801,64 |
| Salary liabilities | 1 179 137,72 | 556 136,11 |
| Income taxes | 313 489,77 | 142 430,88 |
| Other accrued expenses and prepaid income | 4 385 112,59 | 342 283,67 |
| Accrued expenses and prepaid income | 15 156 824,39 | 1 257 652,30 |

Signatures of the Financial Statement

_____ 17 / 06 / 2019



Shiv Walia



Bejoy George



Subramanian Gopalakrishnan

Auditors' Report

Auditors' Report has been issued today.

Helsinki 25 / 6 2019

Ernst & Young Oy
Authorized Public Accountant Firm



Sanna Kytöharju
APA

List of accounting journals, type of vouchers and way of storage

General Ledger
Journal

electronic files
electronic files

Memorandum

electronic files