

April 6, 2018

Mr. Girish Joshi : **BSE Limited**
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400001

Mr. Avinash Kharkar : **National Stock Exchange of India Ltd.**
Exchange Plaza, 5th Floor
Plot No.C/1, G Block
Bandra Kurla Complex, Bandra (East)
Mumbai 400051

Sub: Additional information on the Release - 'HCL Technologies Acquires Life Sciences and Consumer Services Provider C3i Solutions'

Dear Sir,


This is with reference to the Release issued by the Company on April 5, 2018 in regard to the acquisition of C3i Solutions.

Post this release, the Company has received queries from its stakeholders seeking certain clarifications. The additional information that the Company would be providing to the stakeholders in this regard is enclosed.

This is for your information and records.

Thanking you,

Yours faithfully,
For **HCL Technologies Limited**


Manish Anand
Company Secretary

Encl: a/a

Additional information in regard to the acquisition of C3i Solutions

Strategic Rationale for this acquisition

- **Enhances HCL's Life Sciences and CPG Industry capability**
 - Pharmacovigilance, Population Health and industry specific SaaS capabilities of C3i will add to HCL's Application & Business services in Lifesciences industry.
 - There is also an increasing demand for Pharmacovigilance services globally
 - C3i is also a market Leader in Specialty Clinical & Pharma Sales Force service desk (complements HCL's workplace offering in the Infrastructure business)
 - CPG: Hi- Touch multi-channel customer engagement services
- **Market Access**
 - Helps gain access to budgets of CMO / Business stakeholders in Lifesciences and CPG industries.
 - 30 of top 50 pharma companies are being serviced by C3i.
 - 5 leading CPG companies are being serviced by C3i
- **Merck Relationship**
 - The acquisition will further strengthen HCL's existing 13+ year relationship with Merck & Co.

Reasons for consistent decline in revenue over last 3 years

- Vendor consolidation, Lack of full suite of IT services offerings, Small sales team.

Proportion of C3i's revenues come from parent Merck

- Approximately 25% of C3i revenues comes from Merck.
- Further, 80% of the business comes from life science companies with the rest from CPG segment.

Reasons for Merck divesting this business

- Merck considers this business to be non-core to its strategy

Mix of Voice and Non- Voice Business

- Approximately 50: 50

Reasons for low EBITDA at 6%

- Lack of scale, Declining revenues, Low focus on productivity / automation initiatives

Whether any debt on books

- No

Whether the deal EPS accretive

- Yes

