Datawave (An HCL Technologies Company) Limited

Special Purpose Financial Statements

For the year ended 31 March 2021

Datawave (An HCL Technologies Company) Limited
Special Purpose Balance Sheet as at 31 March 2021
(All amounts in thousands except share data and as stated otherwise)

		Note No.	As at 31 March 2021 (GBP)	As at 31 March 2021 refer note 1(a) (₹)
I.	**ASSETS**			
	(1) Current assets			
	(a) Financial assets			
	(i) Trade receivables	**2.1**	681	68,639
	(ii) Cash and cash equivalents	**2.2**	1,224	123,305
	(iii) Loans	**2.3**	3,000	302,297
	(iv) Others financial assets	**2.4**	9	873
	TOTAL ASSETS		**4,914**	**495,114**
II.	**EQUITY**			
	(a) Equity share capital	**2.5**	-	12
	(b) Other equity		2,983	300,541
III.	**LIABILITIES**			
	(1) Current liabilities			
	(a) Financial liabilities			
	(i) Trade payables	**2.6**	1,513	152,449
	(ii) Others	**2.7**	81	8,187
	(b) Other current liabilities	**2.8**	323	32,520
	(c) Current tax liabilities (Net)		14	1,405
	TOTAL EQUITY AND LIABILITIES		**4,914**	**495,114**
	Summary of significant accounting policies	**1**		

The accompanying notes are an integral part of the special purpose financial statements

As per our report of even date

FOR B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration Number : 101248W/W-100022

VIMAL CHAUHAN Digitally signed by VIMAL CHAUHAN Date: 2021.08.02 21:30:32 +05'30'

Vimal Chauhan
Partner
Membership Number: 511230

Gurugram, India
Date: 2 August 2021

For and on behalf of the Board of Director
of Datawave (An HCL Technologies Company) Limited

SHIV KUMAR WALIA Digitally signed by SHIV KUMAR WALIA Date: 2021.08.02 17:50:40 +05'30'

Shiv Kumar Walia
Director

Berkshire, UK
Date: 2 August 2021

RAHUL SINGH Digitally signed by RAHUL SINGH Date: 2021.08.02 17:58:53 +05'30'

Rahul Singh
Director

London, UK
Date: 2 August 2021

Datawave (An HCL Technologies Company) Limited
Special Purpose Statement of Profit and Loss for the year ended 31 March 2021
(All amounts in thousands except share data and as stated otherwise)

		Note No.	Year ended 31 March 2021 (GBP)	Year ended 31 March 2021 refer note 1(a) (₹)
I	**Revenue**			
	Revenue from operations	**2.9**	6,700	675,097
	Other income	**2.10**	38	3,826
	Total income		**6,738**	**678,923**
II	**Expenses**			
	Finance costs	**2.11**	1	80
	Outsourcing costs		6,234	628,195
	Other expenses	**2.12**	430	43,257
	Total expenses		**6,665**	**671,532**
III	**Profit before tax**		**73**	**7,391**
IV	**Tax expense**			
	Current tax	**2.13**	13	1,315
	Total tax expense		13	1,315
V	**Profit for the year**		**60**	**6,076**
VI	**Other comprehensive income**		-	-
VII	**Total Comprehensive Income for the year**		**60**	**6,076**
	Earnings per equity share			
	Basic and diluted	**2.16**	5.10	514.40
	Summary of significant accounting policies	**1**		

The accompanying notes are an integral part of the special purpose financial statements

As per our report of even date

FOR B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration Number : 101248W/W-100022

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Vimal Chauhan
Partner
Membership Number: 511230

Gurugram, India
Date: 2 August 2021

For and on behalf of the Board of Director
of Datawave (An HCL Technologies Company) Limited

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Shiv Kumar Walia
Director

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Date: 2 August 2021

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Rahul Singh
Director

London, UK
Date: 2 August 2021

Datawave (An HCL Technologies Company) Limited
Special Purpose Statement of Changes in Equity for the year ended 31 March 2021
(All amounts in thousands except share data and as stated otherwise)

(Amount in GBP)

	Equity share capital		Other Equity		Total Other Equity
	Number of Shares	Share capital	Reserves and Surplus		
			Retained Earnings	Other reserves	
Balance as at 1 April 2020	11,812	-	2,828	95	2,923
Profit for the year	-	-	60	-	60
Total comprehensive income for the year	-	-	60	-	60
Balance as at 31 March 2021	11,812	-	2,888	95	2,983

*Share capital is GBP 0.12 which has been rouded off to zero.

(Amount in ₹)

	Equity share capital		Other Equity		Total Other Equity
	Number of Shares	Share capital	Reserves and Surplus		
			Retained Earnings	Other reserves	
Balance as at 1 April 2020	11,812	12	284,907	9,558	294,465
Profit for the year	-	-	6,076	-	6,076
Total comprehensive income for the year	-	-	6,076	-	6,076
Balance as at 31 March 2021	11,812	12	290,983	9,558	300,541

Summary of significant accounting policies **1**

The accompanying notes are an integral part of the special purpose financial statements

As per our report of even date

FOR B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration Number : 101248W/W-100022

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Vimal Chauhan
Partner
Membership Number: 511230

Gurugram, India
Date: 2 August 2021

For and on behalf of the Board of Director
of Datawave (An HCL Technologies Company) Limited

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Shiv Kumar Walia
Director

Berkshire, UK
Date: 2 August 2021

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Rahul Singh
Director

London, UK
Date: 2 August 2021

Datawave (An HCL Technologies Company) Limited
Special Purpose Statement of Cash flow for the year ended 31 March 2021
(All amounts in thousands except share data and as stated otherwise)

	Year ended 31 March 2021 (GBP)	Year ended 31 March 2021 refer note 1(a) (₹)
A. Cash flows from operating activities		
Profit before tax	73	7,391
Adjustment for:		
Provision for doubtful debts	399	40,151
Interest income	(38)	(3,826)
Operating profit before working capital changes	**434**	**43,716**
Net changes in		
Trade receivables	180	18,164
Other financial assets and other assets	1,099	110,707
Trade payables	(463)	(46,663)
Provisions, other financial liabilities and other liabilities	(19)	(1,900)
Cash generated from operations	**1,231**	**124,024**
Income taxes paid	(33)	(3,336)
Net cash flow from operating activities (A)	**1,198**	**120,688**
B. Cash flows from investing activities		
Loan given to related parties	(1,500)	(151,148)
Interest received	38	3,826
Net cash used in investing activities (B)	**(1,462)**	**(147,322)**
C. Cash flows from financing activities		
Net cash flow from financing activities (C)	**-**	**-**
Net increase in cash and cash equivalents (A+B+C)	(264)	(26,634)
Cash and cash equivalents at the beginning of the year	1,488	149,939
Cash and cash equivalents at the end of the year as per note 2.2	**1,224**	**123,305**

Summary of significant accounting policies (Note 1)

The accompanying notes are an integral part of the special purpose financial statements

As per our report of even date.

FOR B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration Number : 101248W/W-100022

VIMAL CHAUHAN Digitally signed by VIMAL CHAUHAN Date: 2021.08.02 21:32:14 +05'30'

Vimal Chauhan
Partner
Membership Number: 511230

Gurugram, India
Date: 2 August 2021

For and on behalf of the Board of Director
of Datawave (An HCL Technologies Company) Limited

SHIV KUMAR WALIA Digitally signed by SHIV KUMAR WALIA Date: 2021.08.02 17:55:06 +05'30'

Shiv Kumar Walia
Director

Berkshire, UK
Date: 2 August 2021

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Rahul Singh
Director

London, UK
Date: 2 August 2021

Company Overview

Datawave (An HCL Technologies Company) Limited is incorporated in Scotland. The registered office is Caledonian Exchange 19a Canning Street Edinburgh EH3 8HE. The Company's principal activity is to provide software enabled services.

The Special purpose financial statements for the year ended 31 March 2021 were approved and authorized for issue by the Board of Directors on 2 August 2021.

1. Significant Accounting Policies

a) Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 ("Act") read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Schedule III (Division II) to the Companies Act, 2013, as applicable to the financial statements These financial statements have been prepared on the request of HCL Technologies Limited, being the Ultimate Holding Company to comply with the requirements of the Companies Act, 2013 and are accordingly special purpose financial statements. As the company is not domiciled in India and hence not registered under Companies Act 2013, these Special Purpose Financial Statements do not comply with the notes and disclosure requirements and do not include the previous year comparatives as required under the presentation requirements of Schedule III (Division II) to the Companies Act, 2013 and Ind AS 1, presentation of financial statements and so they do not reflect all the disclosures requirements of the Act.

These financial statements have been prepared under the historical cost convention on an accrual and going concern basis except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments). The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous year.

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle of 12 months. The statement of cash flows has been prepared under the indirect method. The functional currency of the Company is sterling pound (GBP). The translation from GBP to ₹ is included solely for the convenience of readers in India and has been performed using rate of GBP 1 = ₹ 100.7655, the exchange rate prevailing as at the last day of the financial year. Such translation should not be construed as representation that the ₹ amounts represent, or have been or could be converted into, GBP at that or any other rate.

b) Use of estimates

The preparation of special purpose financial statements in conformity with Ind AS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses and other comprehensive income (OCI) that are reported and disclosed in the special purpose financial statements and accompanying notes. These estimates are based upon management's best knowledge of current events, historical experience, actions that the company may undertake in the future and on various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from those estimates. Changes in estimates are reflected in the special purpose financial statements in the year in which the changes are made.

Significant estimates and assumptions are used for, but not limited to,

i. Accounting for costs expected to be incurred to complete performance under fixed price projects
ii. Allowance for uncollectible accounts receivables, refer note 1(g)(i)
iii. Recognition of income taxes, refer note 1(f) and note 2.13
iv. Provisions and contingent liabilities, refer note 1(h)

In view of pandemic relating to COVID-19, the company has considered and taken into account internal and external information and has performed sensitivity analysis based on current estimates in assessing the recoverability of receivables, unbilled receivables, other assets, impact on revenues and costs. However, the actual impact of COVID-19 on the company's special purpose financial statements may differ from that estimated and the company will continue to closely monitor any material changes to future economic conditions.

c) Fair value measurement

The company records certain financial assets and liabilities at fair value on a recurring basis. The company determines fair values based on the price it would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or most advantageous market for that asset or liability.

The company holds certain fixed income securities and equity securities, which must be measured using the guidance for fair value hierarchy and related valuation methodologies. The guidance specifies a hierarchy of valuation techniques based on whether the inputs to each measurement are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the company's assumptions about current market conditions. The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The prescribed fair value hierarchy and related valuation methodologies are as follows:

Level 1 - Quoted inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 - Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-derived valuations, in which all significant inputs are directly or indirectly observable in active markets.

Level 3 - Valuations derived from valuation techniques, in which one or more significant inputs are unobservable inputs which are supported by little or no market activity.

In accordance with Ind AS 113, assets and liabilities are to be measured based on the following valuation techniques:

a) Market approach – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.

b) Income approach – Converting the future amounts based on market expectations to its present value using the discounting method.

c) Cost approach – Replacement cost method.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant who would use the asset in its highest and best use.

d) Revenue Recognition

Contracts involving provision of services and material

Revenue is recognized when, or as, control of a promised service or good transfers to a customer, in an amount that reflects the consideration to which the company expects to be entitled in exchange for transferring those products or services. To recognize revenues, the following five step approach is applied: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction

price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenues when a performance obligation is satisfied. Contract is accounted when it is legally enforceable through executory contracts, approval and commitment from all parties, the rights of the parties are identified, payment terms are defined, the contract has commercial substance and collectability of consideration is probable.

Time-and-material / Volume based / Transaction based contracts

Revenue with respect to time-and-material, volume based and transaction based contracts is recognized as the related services are performed through efforts expended, volume serviced transactions are processed etc. that correspond with value transferred to customer till date which is related to our right to invoice for services performed.

Fixed Price contracts

Revenue related to fixed price contracts where performance obligations and control are satisfied over a period of time like technology integration, complex network building contracts, System implementations and Application development are recognized based on progress towards completion of the performance obligation using a cost-to-cost measure of progress (i.e., percentage-of-completion (POC) method of accounting).

Revenue is recognized based on the costs incurred to date as a percentage of the total estimated costs to fulfill the contract. Any revision in cost to complete would result in increase or decrease in revenue and such changes are recorded in the period in which they are identified. Provisions for estimated losses, if any, on contracts-in-progress are recorded in the period in which such losses become probable based on the current contract estimates.

Contract losses are determined to be the amount by which the estimated incremental cost to complete exceeds the estimated future revenues that will be generated by the contract and are included in cost of revenues and recorded in other accrued liabilities.

Revenue related to other fixed price contracts providing maintenance and support services, are recognized based on our right to invoice for services performed for contracts in which the invoicing is representative of the value being delivered. If our invoicing is not consistent with value delivered, revenues are recognized as the service is performed based on the cost to cost method described above.

In arrangements involving sharing of customer revenues, revenue is recognized when the right to receive is established.

Revenue from product sales are shown net of applicable taxes, discounts and allowances. Revenue related to product with installation services that are critical to the product is recognized when installation of product at customer site is completed and accepted by the customer. If the revenue for a delivered item is not recognized for non-receipt of acceptance from the customer, the cost of the delivered item continues to be in inventory.

Multiple performance obligation

When a sales arrangement contains multiple performance obligations, such as services, hardware and Licensed IPs (software) or combinations of each of them revenue for each element is based on a five step approach as defined above. To the extent a contract includes multiple promised deliverables, judgment is applied to determine whether promised deliverables are capable of being distinct and are distinct in the context of the contract. If these criteria are not met, the promised deliverables are accounted for as a combined performance obligation. For arrangements with multiple distinct performance obligations or series of distinct performance obligations, consideration is allocated among the performance obligations based on their relative standalone selling price. Standalone selling price is the price at which company would sell a promised good or service separately to the customer. When not directly observable, we estimate standalone selling price by using the expected cost plus a margin approach. We establish a standalone selling price range for our

deliverables, which is reassessed on a periodic basis or when facts and circumstances change. If the arrangement contains obligations related to License of Intellectual property (Software) or Lease deliverable, the arrangement consideration allocated to the Software deliverables, lease deliverable as a company is then allocated to each software obligation and lease deliverable.

Revenue recognition for delivered elements is limited to the amount that is not contingent on the future delivery of products or services, future performance obligations or subject to customer-specified return or refund privileges. Revenue from certain activities in transition services in outsourcing arrangements are not capable of being distinct or represent separate performance obligation. Revenues relating to such transition activities are classified as Contract liabilities and subsequently recognized over the period of the arrangement. Direct and incremental costs in relation to such transition activities which are expected to be recoverable under the contract and generate or enhance resources of the company that will be used in satisfying the performance obligation in the future are considered as contract fulfillment costs classified as Deferred contract cost and recognized over the period of arrangement. Certain upfront non-recurring incremental contract acquisition costs and other upfront fee paid to customer are deferred and classified as Deferred contract cost and amortized to revenue or cost, usually on a straight line basis, over the term of the contract unless revenues are earned and obligations are fulfilled in a different pattern. The undiscounted future cash flows from the arrangement are periodically estimated and compared with the unamortized costs. If the unamortized costs exceed the undiscounted cash flow, a loss is recognized.

In instances when revenue is derived from sales of third-party vendor services, material or licenses, revenue is recorded on a gross basis when the company is a principal to the transaction and net of costs when the Company is acting as an agent between the customer and the vendor. Several factors are considered to determine whether the Company is a principal or an agent, most notably being company control the goods or service before it is transferred to customer, latitude in deciding the price being charged to customer. Revenue is recognized net of discounts and allowances, value-added and service taxes, and includes reimbursement of out-of-pocket expenses, with the corresponding out of-pocket expenses included in cost of revenues.

Volume discounts, or any other form of variable consideration is estimated using either the sum of probability weighted amounts in a range of possible consideration amounts (expected value), or the single most likely amount in a range of possible consideration amounts (most likely amount), depending on which method better predicts the amount of consideration realizable. Transaction price includes variable consideration only to the extent it is probable that a significant reversal of revenues recognized will not occur when the uncertainty associated with the variable consideration is resolved. Our estimates of variable consideration and determination of whether to include estimated amounts in the transaction price may involve judgment and are based largely on an assessment of our anticipated performance and all information that is reasonably available to us.

Revenue recognized but not billed to customers is classified either as contract assets or unbilled receivable in our statements of financial position, contract assets primarily relate to unbilled amounts on those contracts utilizing the cost to cost method of revenue recognition and right to consideration is not unconditional. Unbilled receivables represent contracts where right to consideration is unconditional (i.e. only the passage of time is required before the payment is due).

Revenue from sales-type leases is recognized when risk of loss has been transferred to the client and there are no unfulfilled obligations that affect the final acceptance of the arrangement by the client.

Interest attributable to sales-type leases and direct financing leases included therein is recognized on an accrual basis using the effective interest method and is recognized as other income.

e) Foreign currency transactions

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date of the transaction. Foreign-currency denominated monetary assets and liabilities are translated to the relevant functional currency at exchange rates in effect at the balance sheet date. Exchange

differences arising on settlement or translation of monetary items are recognized in the special purpose statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the initial transaction. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the year in which the transaction is settled. Revenue, expenses and cash-flow items denominated in foreign currencies are translated into the relevant functional currency using the exchange rate in effect on the date of the transaction.

f) Taxation

Income tax expense comprises current and deferred income tax.

Income tax expense is recognized in statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity, wherever applicable. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Provision for income tax includes the impact of provisions established for uncertain income tax positions, as well as the related interest and penalties, wherever applicable.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable company and the same taxation authority

The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

g) Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Financial assets:

All financial assets are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value measured on initial recognition of financial asset. Purchase and sale of financial assets are accounted for at trade date.

Cash and cash equivalent

Cash in the balance sheet comprise cash in banks, which is subject to an insignificant risk of changes in values.

Financial instruments at amortized cost

A financial instrument is measured at the amortized cost if both the following conditions are met:

(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in other income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss. This category includes cash and bank balances, loans, unbilled revenue, trade and other receivables.

Derecognition of financial assets

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset.

Impairment of financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit and loss. Lifetime ECL allowance is recognized for trade receivables with no significant financing component. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case they are measured at lifetime ECL.
The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognized in statement of profit and loss.

ii. Financial liabilities:

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, the recognition is at net of direct attributable transaction costs.

The Company's financial liabilities include trade payables other payables.

After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in the statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

Offsetting of financial instruments

Financial assets and financial 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.

h) Provisions and contingent liabilities

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows.

The Company uses significant judgement to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognized nor disclosed in the financial statements.

i) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted EPS amounts are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

j) Recently issued accounting pronouncements

On 24 March 2021, the Ministry of Corporate Affairs (MCA), notified amendments in Schedule III to the Companies Act, 2013 effective from 1 April 2021. The Company is currently evaluating the impact of these amendment on its financial statements.

Datawave (An HCL Technologies Company) Limited
Notes to Special Purpose financial statements for the year ended 31 March 2021
(All amounts in thousands except share data and as stated otherwise)

2.1 Trade receivable

	As at	
	31 March 2021	**31 March 2021**
	(GBP)	**(₹)**
Unsecured, considered good	1,080	108,790
	1,080	**108,790**
Impaired allowance for bad and doubtful debts	(399)	(40,151)
	681	**68,639**

2.2 Cash and cash equivalents

	As at	
	31 March 2021	**31 March 2021**
	(GBP)	**(₹)**
Balance with banks		
-in current accounts	1,224	123,305
	1,224	**123,305**

2.3 Financial assets - Loans

	As at	
	31 March 2021	**31 March 2021**
	(GBP)	**(₹)**
Current		
Carried at amortized cost		
Loans to related parties (Refer note 2.15)	3,000	302,297
	3,000	**302,297**

2.4 Financial assets - Others

	As at	
	31 March 2021	**31 March 2021**
	(GBP)	**(₹)**
Current		
Carried at amortized cost		
Interest receivable - related parties (Refer note 2.15)	6	588
Unbilled receivables	3	285
	9	**873**

2.5 Share capital

	As at	
	31 March 2021	31 March 2021
	(GBP)	(₹)
Issued, subscribed and fully paid up		
11,812 ordinary shares of GBP 0.01 each	-	12

*Share capital is GBP 0.12 which has been rouded off to zero.

Terms/ rights attached to equity shares

The Company has only one class of shares referred to as ordinary shares having a par value of GBP 0.01/-. Each holder of ordinary shares is entitled to one vote per share.

In the event of liquidation of the company, the share holders will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of ordinary shares held by the shareholders.

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year

	As at	
	31 March 2021	
	No. of shares	Amount (GBP)
Number of shares at the beginning	11,812	-
Number of shares at the end	11,812	-

*Share capital is GBP 0.12 which has been rouded off to zero.

Shares held by holding company:-

Out of ordinary shares issued by the company, shares held by its holding company are as below:-

	As at	
	31 March 2021	
	No. of shares	Amount (GBP)
Equity shares of GBP 0.01 each		
HCL Tehnologies UK Limited, the holding company	11,812	-

*Share capital is GBP 0.12 which has been rouded off to zero.

Details of shareholders holding more than 5 % shares in the company:-

Name of the shareholder	As at	
	31 March 2021	
	No. of shares	% of Holding
Equity shares of GBP 0.01 each		
HCL Tehnologies UK Limited, the holding company	11,812	100.00%

As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

Capital management

The primary objective of the Company's capital management is to support business continuity and growth of the company while maximizing the shareholder value. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are generally met through operating cash flows generated.

Datawave (An HCL Technologies Company) Limited
Notes to Special Purpose financial statements for the year ended 31 March 2021
(All amounts in thousands except share data and as stated otherwise)

2.6 Trade payables

	As at	
	31 March 2021	31 March 2021
	(GBP)	(₹)
Trade payables-related parties (Refer note 2.15)	1,513	152,449
	1,513	**152,449**

2.7 Other financial liabilities

	As at	
	31 March 2021	31 March 2021
	(GBP)	(₹)
Current		
Others		
Liabilities for expenses	48	4,851
Liabilities for expenses-related parties (Refer note 2.15)	33	3,336
	81	**8,187**

2.8 Other current liabilities

	As at	
	31 March 2021	31 March 2021
	(GBP)	(₹)
Others		
Other taxes payable	323	32,520
	323	**32,520**

Datawave (An HCL Technologies Company) Limited
Notes to Special Purpose financial statements for the year ended 31 March 2021
(All amounts in thousands except share data and as stated otherwise)

2.9 Revenue from operations

	Year ended 31 March 2021 (GBP)	Year ended 31 March 2021 (₹)
Sale of services	6,700	675,097
	6,700	**675,097**

Disaggregate Revenue Information

The disaggregated revenue from contracts with the customers by contract type is as follows:

	Year ended 31 March 2021 (GBP)	Year ended 31 March 2021 (₹)
Contract type		
Fixed price	78	7,844
Time and material	6,622	667,253
Total	**6,700**	**675,097**
Geography wise		
Europe	6,700	675,097
Total	**6,700**	**675,097**

2.10 Other income

	Year ended 31 March 2021 (GBP)	Year ended 31 March 2021 (₹)
Interest income	38	3,826
	38	**3,826**

2.11 Finance cost

	Year ended 31 March 2021 (GBP)	Year ended 31 March 2021 (₹)
Bank charges	1	80
	1	**80**

2.12 Other expenses

	Year ended 31 March 2021 (GBP)	Year ended 31 March 2021 (₹)
Legal and professional charges	29	2,948
Provision for doubtful debts/ bad debts written off	399	40,151
Miscellaneous expenses	2	158
	430	**43,257**

2.13 Tax expense

	Year ended 31 March 2021 (GBP)	Year ended 31 March 2021 (₹)
Income tax charged to statement of profit and loss		
Current income tax charge	13	1,315
	13	1,315

2.14 Segment Reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available and whose their results are reviewed regularly by the chief operating decision maker (CODM), for allocation of resources and assessing performance. The Company's ultimate parent company, HCL Technologies Limited's chief operating decision maker (CODM) reviews its results for allocation of resources and assessing performance by business segment comprising IT and Business Services, Engineering and R&D Services, and Products & Platforms segments. The ultimate Holding Company monitors the risk and returns of the Company's businesses on an entity level and evaluates the performance of the Company as one business segment which is overall a part of the reorganized entity level business segments. Hence there is only one reportable segment of the Company, as envisaged under Indian Accounting Standards -108 "Operating segments"

Revenue disagregation as per geography is given in note 2.9

2.15 Related party transaction

a) Related parties where control exists

Holding company
HCL Technologies UK Limited

Ultimate Holding company
HCL Technologies Limted

b) Related Party where transactions have taken place during the year

Ultimate holding company
HCL Technologies Limited, India

Holding company
HCL Technologies UK Limited

Fellow Subsidiary
Axon Solutions Limited
HCL EAS Limited
CeleritiFinTech Limited

Datawave (An HCL Technologies Company) Limited
Notes to Special Purpose financial statements for the year ended 31 March 2021
(All amounts in thousands except share data and as stated otherwise)

c) Transactions with related parties during the ordinary course of business **(GBP)**

	Ultimate holding company	Holding company
	Year ended	
	31 March 2021	31 March 2021
Consulting charges	2	6,232
Interest income	-	38
Disbursement in respect of loan given	-	1,500

(₹)

	Ultimate holding company	Holding company
	Year ended	
	31 March 2021	31 March 2021
Consulting charges	172	628,023
Interest income	-	3,826
Disbursement in respect of loan given	-	151,148

Material related party transactions	Year ended	
	31 March 2021 (GBP)	31 March 2021 (INR)
Consulting charges		
HCL Technologies UK Limited	6,232	628,023
Disbursement in respect of loan given		
HCL Technologies UK Limited	1,500	151,148

d) Outstanding balances of related parties as at 31 March 21 **(GBP)**

	Holding company	Fellow subsidiaries
	Year ended	
	31 March 2021	31 March 2021
Trade receivables, other financial assets and other assets	3,006	-
Trade payables, other financial liabilities and other liabilities	1,229	317

(₹)

	Holding company	Fellow subsidiaries
	Year ended	
	31 March 2021	31 March 2021
Trade receivables, other financial assets and other assets	302,885	-
Trade payables, other financial liabilities and other liabilities	123,847	31,938

Datawave (An HCL Technologies Company) Limited
Notes to Special Purpose financial statements for the year ended 31 March 2021
(All amounts in thousands except share data and as stated otherwise)

2.16 Earnings per equity share (EPS)

Particulars	Year ended 31 March 2021 (GBP)	Year ended 31 March 2021 (₹)
Net Profit as per statement of profit and loss for computation of EPS	60	6,076
Weighted average number of equity shares outstanding in calculating Basic and dilutive EPS	11,812	11,812
Nominal value of equity shares	0.01	1.01
Profit per equity share		
- Basic and Diluted	**5.10**	**514.40**

3. The Company has presented its financial statements in "GBP in thousands" and accordingly, amounts less than GBP 0.50 thousands are rounded off to zero.

As per our report of even date

FOR B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration Number : 101248W/W-100022

VIMAL CHAUHAN Digitally signed by VIMAL CHAUHAN Date: 2021.08.02 21:32:48 +05'30'

Vimal Chauhan
Partner
Membership Number: 511230

Gurugram, India
Date: 2 August 2021

For and on behalf of the Board of Director
of Datawave (An HCL Technologies Company) Limited

SHIV KUMAR WALIA Digitally signed by SHIV KUMAR WALIA Date: 2021.08.02 17:55:49 +05'30'

Shiv Kumar Walia
Director

Berkshire, UK
Date: 2 August 2021

RAHUL SINGH Digitally signed by RAHUL SINGH Date: 2021.08.02 17:56:25 +05'30'

Rahul Singh
Director

London, UK
Date: 2 August 2021