C3i (UK) Limited

Special Purpose Financial Statements

For the year ended 31st December 2020

C3i (UK) Limited

Special Purpose Balance Sheet as at 31 December 2020

(All amounts are in thousands except share data and as stated otherwise)

		Note No.	As at 31 December 2020 (GBP)	As at 31 December 2020 (₹)
I.	**ASSETS**			
	(1) Current assets			
	(a) Financial assets			
	(i) Trade receivables	**2.1**	15	1,497
	(ii) Cash and cash equivalents	**2.2**	76	7,634
	TOTAL ASSETS		**91**	**9,131**
II.	**EQUITY**			
	(a) Equity share capital	**2.3**	-	-
	(b) Other equity		56	5,644
	TOTAL EQUITY		**56**	**5,644**
III.	**LIABILITIES**			
	(1) Current liabilities			
	(a) Financial liabilities			
	(i) Others	**2.4**	35	3,487
	TOTAL EQUITY AND LIABILITIES		**91**	**9,131**
	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
Firm Registration Number : 101248W/W-100022

Rakesh Dewan Digitally signed by Rakesh Dewan Date: 2021.08.04 19:33:49 +05'30'

Rakesh Dewan
Partner
Membership Number: 092212

Gurugram, India
Date: 4 August, 2021

For and on behalf of the Board of Directors
of C3i UK Limited

SUBRAMANIAN GOPALAKRISHNAN Digitally signed by SUBRAMANIAN GOPALAKRISHNAN Date: 2021.08.04 16:12:05 +05'30'

Subramanian Gopalakrishnan
Director

Noida, India
Date: 4 August, 2021

SHIV KUMAR WALIA Digitally signed by SHIV KUMAR WALIA Date: 2021.08.04 16:09:58 +05'30'

Shiv Kumar Walia
Director

Berkshire, UK
Date: 4 August, 2021

C3i (UK) Limited

Special Purpose Statement of Profit and Loss for the year ended 31 December 2020

(All amounts are in thousands except share data and as stated otherwise)

		Note No.	Year ended 31 December 2020 (GBP)	Year ended 31 December 2020 (₹)
I	**Revenue**			
	Revenue from operations	**2.5**	176	17,519
	Total income		**176**	**17,519**
II	**Expenses**			
	Employee benefits expense	**2.6**	129	12,850
	Finance costs	**2.7**	1	99
	Other expenses	**2.8**	39	3,869
	Total expenses		**169**	**16,818**
III	**Profit before tax**		**7**	**701**
IV	**Tax expense**	**2.9**		
	Current tax credit		(2)	(200)
	Deferred tax		3	299
	Total tax expense		1	99
V	**Profit for the year**		**6**	**602**
VI	**Total comprehensive income for the year**		**6**	**602**
	Earnings per equity share (absolute) of GBP 1 each	**2.10**		
	Basic		6	602
	Diluted		6	602
	Summary of significant accounting policies	**1**		

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

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

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Rakesh Dewan
Partner
Membership Number: 092212

Gurugram, India
Date: 4 August, 2021

For and on behalf of the Board of Directors of C3i UK Limited

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Subramanian Gopalakrishnan
Director

Noida, India
Date: 4 August, 2021

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Shiv Kumar Walia
Director

Berkshire, UK
Date: 4 August, 2021

C3i (UK) Limited

Special Purpose Statement of Changes in Equity for the year ended 31 December 2020

(All amounts are 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	
Balance as at 1 January 2020	1	-	50	**50**
Profit for the year	-	-	6	**6**
Total comprehensive income for the year	-	-	6	**6**
Balance as at 31 December 2020	1	-	56	**56**

(Amount in INR)

	Equity share capital		Other equity	Total other equity
	Number of shares	Share capital	Reserves and surplus Retained earnings	
Balance as at 1 January 2020	1	-	5,041.86	5,042
Profit for the year	-	-	602	602
Total comprehensive income for the year	-	-	602	602
Balance as at 31 December 2020	1	-	5,644	5,644

Refer note 1 for summary of significant accounting policies

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

Rakesh Dewan Digitally signed by Rakesh Dewan Date: 2021.08.04 19:34:32 +05'30'

Rakesh Dewan
Partner
Membership Number: 092212

Gurugram, India
Date: 4 August, 2021

For and on behalf of the Board of Directors of C3i UK Limited

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Subramanian Gopalakrishnan
Director

Noida, India
Date: 4 August, 2021

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Shiv Kumar Walia
Director

Berkshire, UK
Date: 4 August, 2021

C3i (UK) Limited

Special Purpose Statement of Cash Flows for the year ended 31 December 2020

(All amounts are in thousands except share data and as stated otherwise)

	Year ended 31 December 2020 (GBP)	Year ended 31 December 2020 (₹)
A. Cash flows from operating activities		
Profit before tax	7	701
Operating profit before working capital changes	**7**	**701**
Net changes in		
Trade receivables	(15)	(1,497)
Other financial assets	7	699
Provisions, other financial liabilities and other current liabilities	(21)	(2,096)
Cash generated used in operations	**(22)**	**(2,193)**
Direct taxes paid	3	299
Net cash flow used in operating activities	**(25)**	**(2,492)**
Net increase in cash and cash equivalents	(25)	(2,492)
Cash and cash equivalents at the beginning of the year	101	10,126
Cash and cash equivalents at the end of the year as per note 2.2	**76**	**7,634**
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

Rakesh Dewan Digitally signed by Rakesh Dewan Date: 2021.08.04 19:34:52 +05'30'

Rakesh Dewan
Partner
Membership Number: 092212

Gurugram, India
Date: 4 August, 2021

For and on behalf of the Board of Directors of C3i UK Limited

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Subramanian Gopalakrishnan
Director

Noida, India
Date: 4 August, 2021

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Shiv Kumar Walia
Director

Berkshire, UK
Date: 4 August, 2021

ORGANIZATION AND NATURE OF OPERATIONS

C3I (UK) Limited is a company limited by shares incorporated in the United Kingdom. The address of the registered office is Axon Centre, Church Road, Egham, Surrey, England, TW20 9QB. The Company's principal activity continue to be that of a call centre for health care services.

The financial statements for the year ended 31 December, 2020 were approved and authorized for issue by the Board of Directors on 4 August, 2021.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation:

These financial statements have been prepared on the request of HCL Technologies Limited, being the Ultimate Holding Company , for their limited use and are accordingly Special Purpose Financial Statements ('financial statements') .

These financial statements have been prepared in accordance with the recognition and measurement principles laid down in the 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 certain presentation requirements of Schedule III (Division II) to the Companies Act, 2013, as considered relevant to these financial statements .

As the Company is not domiciled in India and hence not registered under Companies Act 2013, these financial statements do not include all the notes and disclosures (mainly in respect of Financial instruments, Segment and Taxes) and also do not include the previous year comparatives as per Schedule III (Division II) to the Companies Act, 2013 and Ind AS.

These financial statements are not the statutory financial statements of the Company. As a result, these financial statements may not be suitable for any other purpose.

Liquidation Basis

The directors plan to place the company into liquidation, and these special purpose financial statements are therefore prepared using the liquidation basis. Preparation of special purpose financial statements on liquidation basis involves the company making estimates and assumptions that effect the reported assets and liabilities. Estimates are based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances and are continuously reevaluated. It has been considered whether any adjustments are required to provide for any further liabilities due to the upcoming liquidation. All assets and liabilities have been classified as current, as financial statements are being prepared on liquidation basis.

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 = ₹ 99.8105, 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 financial statements in conformity with Ind AS requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, costs, expenses and other comprehensive income (OCI) that are reported and disclosed in the financial statements and accompanying notes. These estimates are based on the 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. Significant estimates and assumptions are used for, but not limited to income taxes, future obligations under employee benefit plans. Changes in estimates are reflected in the financial statements in the period in which the changes are made. Actual results could differ from those estimates.

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

i. Recognition of income and deferred taxes, refer note 1(e) and note 2.9
ii. Provisions and contingent liabilities, refer note 1(f)

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, other financial assets, impact on revenues and costs. However, the actual impact of COVID-19 on the Company's financial statements may differ from that estimated and the Company will continue to closely monitor any material changes to future economic conditions.

(c) Foreign currency and translation

Transactions in foreign currencies are initially recorded by company at functional currency spot rates at the date the transaction first qualifies for recognition. Foreign-currency denominated monetary assets and liabilities are translated to the 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 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 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 period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the reporting currencies using the exchange rate in effect on the date of the transaction.

(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.

(e) Income taxes

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 entity 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 year 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.

(f) Provision 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.

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.

(g) Retirement and other employee benefits

i. Compensated absences: The employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating in nature. The employees can carry forward up to the specified portion of the unutilized accumulated compensated absences and utilize it in future periods or receive cash at retirement or termination of employment. The expected cost of accumulating compensated absences is determined by actuarial valuation (using the projected unit credit method) based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the balance sheet date. The expense on non-accumulating compensated absences is recognized in the statement of profit and loss in the year in which the absences occur.

ii. State Plans: The contribution to State Plans, a defined contribution plan namely Employees' Pension Scheme for the Company are charged to the statement of profit and loss.

(h) Earnings per share (EPS)

Basic 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 outstanding during the year.

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. The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

(i) 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 amendments on its financial statements.

C3i (UK) Limited
Notes to Special Purpose Financial Statements for the year ended 31 December 2020
(All amounts are in thousands except share data and as stated otherwise)

2.1 Trade receivables

	As at	
	31 December 2020	31 December 2020
	(GBP)	(₹)
Unsecured, considered good - related party (refer note 2.12)	15	1,497
	15	**1,497**

2.2 Cash and cash equivalents

	As at	
	31 December 2020	31 December 2020
	(GBP)	(₹)
Balance with banks - in current accounts	76	7,634
	76	**7,634**

2.3 Share capital

	As at	
	31 December 2020	31 December 2020
	(GBP)	(₹)
Authorized 1 shares of GBP 1 each	-	-
Issued, subscribed and fully paid up 1 shares of GBP 1 each	-	-

Terms/ rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of GBP 1/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holder of equity share will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The sole shareholder will be entitled to distribution.

C3i (UK) Limited
Notes to Special Purpose Financial Statements for the year ended 31 December 2020
(All amounts are in thousands except share data and as stated otherwise)

2.3 Share capital

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

	As at			
	31 December 2020		31 December 2020	
	No. of shares	Amount (GBP)	No. of shares	Amount (₹)
Number of shares at the beginning	1	-	1	-
Number of shares at the end	1	-	1	-

Details of shareholders holding more than 5 % ordinary shares in the Company:

Name of the shareholder	As at	
	31 December 2020	31 December 2020
	No. of shares	% holding in the class
Shares of GBP 1 each fully paid		
Telerx Marketing Inc	1	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.

2.4 Other financial liabilities

	As at	
	31 December 2020	31 December 2020
	(GBP)	(₹)
Current		
Others		
Liabilities for expenses	19	1,897
Liabilities for expenses - related party (refer note 2.12)	16	1,590
	35	**3,487**

2.5 Revenue from operations

	Year ended	
	31 December 2020	31 December 2020
	(GBP)	(₹)
Sale of services	176	17,519
	176	**17,519**

C3i (UK) Limited
Notes to Special Purpose Financial Statements for the year ended 31 December 2020
(All amounts are in thousands except share data and as stated otherwise)

2.5 Revenue from operations

Disaggregate Revenue Information

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

	Year ended	
	31 December 2020	31 December 2020
	(GBP)	(₹)
Time and material	176	17,519
	176	**17,519**

(b) The disaggregated revenue from customers by geographic area based on location of customer is as follows:

	Year ended	
	31 December 2020	31 December 2020
	(GBP)	(₹)
USA	176	17,519
	176	**17,519**

2.6 Employee benefits expense

	Year ended	
	31 December 2020	31 December 2020
	(GBP)	(₹)
Salaries, wages and bonus	118	11,749
Contribution to other employee funds	11	1,101
	129	**12,850**

2.7 Finance costs

	Year ended	
	31 December 2020	31 December 2020
	(GBP)	(₹)
Bank charges	1	99
	1	**99**

C3i (UK) Limited
Notes to Special Purpose Financial Statements for the year ended 31 December 2020
(All amounts are in thousands except share data and as stated otherwise)

2.8 Other expenses

	Year ended	
	31 December 2020	31 December 2020
	(GBP)	(₹)
Communication costs	2	198
Travel and conveyance	11	1,085
Legal and professional charges	17	1,689
Exchange differences (net)	9	897
	39	**3,869**

2.9 Tax expense

	Year ended	
	31 December 2020	31 December 2020
	(GBP)	(₹)
Income tax charged to statement of profit and loss		
Current income tax charge	(2)	(200)
Deferred tax charge (credit)	3	299
	1	**99**

2.10 Earnings per share

The computation of earnings per share is as follows:

	Year ended	
	31 December 2020	31 December 2020
	(GBP)	(₹)
Net profit as per statement of profit and loss for computation of EPS	6	602
Weighted average number of outstanding in calculating of basic EPS	1	1
Weighted average number outstanding in calculating dilutive EPS	1	1
Nominal value of share	1	100
Earnings per share		
- Basic	6	602
- Diluted	6	602

2.11 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 disaggregation as per geography has been included in note 2.5.

C3i (UK) Limited
Notes to special purpose financial statements for the year ended 31 December 2020
(All amounts are in thousands except share data and as stated otherwise)

2.12 Related party transactions

Ultimate holding company
HCL Technologies Limited

Holding company
Telerx Marketing Inc

b) Related parties with whom transactions have taken place during the year

Holding company
Telerx Marketing Inc

Fellow subsidiary
HCL Great Britain Limited
HCL Technologies UK Limited

Transactions with related parties during the normal course of business	
	Revenue
31 December 2020 (GBP)	
Holding company	176
	176
31 December 2020 ('₹)	
Holding company	17,519
	17,519

	Outstanding balances	
	Trade receivables, other financial assets and other assets	**Trade payables, other financial liabilities and other liabilities**
31 December 2020 (GBP)		
Holding company	15	-
Fellow subsidiary	-	16
	15	**16**
31 December 2020 ('₹)		
Holding company	1,497	-
Fellow subsidiary	-	1,590
	1,497	**1,590**

As per our report of even date

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

Rakesh Dewan Digitally signed by Rakesh Dewan Date: 2021.08.04 19:35:25 +05'30'

Rakesh Dewan
Partner
Membership Number: 092212

Gurugram, India
Date 4 August, 2021

For and on behalf of the Board of Directors
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Subramanian Gopalakrishnan
Director

Noida, India
Date 4 August, 2021

SHIV KUMAR WALIA Digitally signed by SHIV KUMAR WALIA Date: 2021.08.04 16:11:26 +05'30'

Shiv Kumar Walia
Director

Berkshire, UK
Date 4 August, 2021